FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-95-139
Thursday
20 July 1995

Daily Report
East Asia

FBIS-EAS-95-139 CONTENTS *20 July 1995*

NOTICE: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Kamei Leaves for Aviation Talks in Los Angeles *[KYODO]* 1
    'Not Optimistic' About Talks *[KYODO]* 1
Government Spokesman Comments on Aviation Talks *[ASAHI SHIMBUN NEWS CONFERENCE REPORT]* 1
Possible Compromise in Aviation Talks Seen *[NIHON KEIZAI SHIMBUN 19 Jul]* 2
Prospects for Japan-U.S. Aviation Talks Viewed *[YOMIURI SHIMBUN 19 Jul]* 2
Garten To Visit Tokyo for 'Broad-Based' Talks *[KYODO]* 3
Background to Toyota's Voluntary Plans Discussed *[SHUKAN DAIYAMONDO 15 Jul]* 3
Shintaro Ishihara Discusses Militarization *[VOICE 1 Jun]* 4
Articles Discuss Security Treaty With U.S. 6
    Treaty Called 'Dinosaur' *[VOICE 1 Jun]* 6
    Outlook for Treaty *[VOICE 1 Jun]* 8
    Treaty 'Not Defunct' *[VOICE 1 Jun]* 10
    Technology of Treaty Viewed *[VOICE 1 Jun]* 12
Emphasis on Asia Termed 'Warning Signal' *[VOICE 1 Jun]* 14
Tokyo, EU Start Negotiations on Liquor Tax *[KYODO]* 16
Igarashi Interviewed on Banning Nuclear Tests *[ASAHI SHIMBUN NEWS CONFERENCE REPORT]* 16
Igarashi on French Nuclear Tests, Yeltsin *[ASAHI SHIMBUN NEWS CONFERENCE REPORT]* 17
Response to DPRK Request for Rice Aid Viewed *[SHUKAN DAIYAMONDO 24 Jun]* 18
EPA Paper Studies Asian Economic Trends *[NIHON KEIZAI SHIMBUN 18 Jul]* 21
Trade Structure Changes Seen in Surplus Drop *[MAINICHI SHIMBUN 18 Jul]* 21
Report Shows Deregulation Demands Not Met *[NIHON KEIZAI SHIMBUN 17 Jul]* 22
Editorial Comments on Deregulation White Paper *[MAINICHI SHIMBUN 19 Jul]* 22
Fear of Poor Crop Draws Rice Prices Higher *[KYODO]* 23
Defense Agency Plans Intelligence Headquarters *[MAINICHI SHIMBUN 17 Jul]* 23
DA's Murata: Further Budget Cut Unacceptable *[YOMIURI SHIMBUN 18 Jul]* 24
Media Focus on Critical "Floating Voters" *[FBIS Media Note]* 24
Poll Finds Increase of Unaffiliated Voters *[KYODO]* 25
Unaffiliated Voters May Hold Key to Election *[KYODO]* 26
Ozawa Comments on Upper House Election *[MAINICHI SHIMBUN 12 Jul]* 27
Kajiyama Describes Vision for 21st Century *[BUNGEI SHUNJU Jul]* 28
MOT Seeks Restructuring in Shipping Industry *[KYODO]* 37
Shipbuilders To Import Materials, Engines *[KYODO]* 38

North Korea

Establishment of New Peace Mechanism Suggested *[NODONG SINMUN 25 Jun]* 38
Rockefeller Delegation Arrives in Pyongyang *[KCNA]* 40
Mun Ik-hwan's Widow Tours Mt. Paektu Area *[Pyongyang Radio]* 41
ROK Students Protest Kwangju Decision *[KCNA]* 41
ROK Authorities Criticized for Sampoong *[KCNA]* 41
South Solons Urge Abrogation of Japan Treaty *[KCNA]* 42
Japan Urged To Face Comfort Women Issue *[KCNA]* 42
Chinese Party Delegations Arrive in Pyongyang *[KCNA]* 42
Yang Hyong-sop Sends Greetings to Thai Solon *[KCNA]* 42
France-Korea Group Head Opposes Nuclear Dump *[KCNA]* 42
Friendship Group Formed With Sao Tome *[KCNA]* 42
Bangladesh Delegation Leaves Pyongyang *[KCNA]* 43
Kim Chong-il Receives Messages From Abroad *[KCNA]* 43
Foreign Papers Carry Kim Chong-il Work *[KCNA]* 43
Kim Chong-il's Analysis of Ideology Work Cited *[KCNA]* 43
Kim Il-song Remembered on Death Anniversary 44
    Foreign Papers Carry Articles *[KCNA]* 44
    Foreign Groups Honor Memory *[KCNA]* 45
    Praise From Mongolian, Maltese *[KCNA]* 45
    PRC Delegation Visits Statue *[KCNA]* 46
    Korean-Japanese Visit Kumsusan *[KCNA]* 46
    Norwegians Visit Kumsusan *[KCNA]* 46
    Working People Visit Kumsusan *[KCNA]* 46
Death of Vice Marshal Kim Pong-yul Announced 47
    Radio Announcement *[Pyongyang Radio]* 47
    KCNA Reports 47
    Kim Chong-il Sends Wreath *[KCNA]* 48
    State Funeral Committee Formed *[Pyongyang Radio]* 48
Unity for Sake of Reunification Urged *[Pyongyang Radio]* 48
Daily Criticizes Former Socialist Countries *[NODONG SINMUN 13 Jun]* 50
Ideological Work Demand of Socialist Society *[KCNA]* 51

South Korea

KEDO Chief Negotiating Team Visit to North *[YONHAP]* 52
KAERI Dismisses Reactor Development Chief *[YONHAP]* 52
    Removal Will Not Affect Project *[YONHAP]* 53
Yonggwang Unit 4 Starts Trial Operations *[THE KOREA TIMES 20 Jul]* 53
Kim, Clinton To Support N-S Peace Regime *[YONHAP]* 53
President Kim To Shorten Visit to U.S. *[THE KOREA HERALD 20 Jul]* 54
Editorial Urges Revision of SOFA Agreement *[CHOSON ILBO 20 Jul]* 55
    U.S. Will Not Propose Revisions *[YONHAP]* 55
UNC Rejects High-Level Talks With North *[YONHAP]* 56
AmCham Wants Insurance Market Opened Further *[THE KOREA TIMES 20 Jul]* 56
North Delegate Explains Missed Talks *[YONHAP]* 56
Editorial Criticizes Lack of Progress at Talks *[TONG-A ILBO 20 Jul]* 57
Seoul To Deploy Peacekeeping Force to Angola *[YONHAP]* 57
KBA Urges Reinvestigation of Kwangju Incident *[YONHAP]* 57
    Civic Groups Denounce Decision *[THE KOREA TIMES 20 Jul]* 58
Kim Yong-sam To Personally Manage DLP *[YONHAP]* 58
Kim Tae-chung Predicts Success for New Party *[YONHAP]* 59
    Yi Ki-taek Critical *[YONHAP]* 59
Government To Develop Long-Term Economic Plan *[YONHAP]* 60
Further Liberalization of Interest Rates Coming *[YONHAP]* 60
Prosecution To Arrest Sampoong Engineers *[YONHAP]* 61
Safety Checks Planned for 220 Public Buildings *[YONHAP]* 61
Conglomerates Vie for Control of Korea Gas *[THE KOREA TIMES 20 Jul]* 62

SOUTHEAST ASIA

Burma

Suu Kyi Interviewed on Martyrs Day Activities *[London International]* 63
Radio Reports Suu Kyi at Martyrs Day Event *[Rangoon Radio]* 63

Brunei, Malaysia & Singapore

Malaysia

Minister Urges EU To Review New GSP Scheme *[THE STAR 20 Jul]* 64
Kyrgyz President Begins 5-Day Official Visit *[Kuala Lumpur TV]* 64
Cooperation Agreements Signed With Kyrgyzstan *[Kuala Lumpur TV]* 64
Commentary on Burmese Plans To Join ASEAN *[Kuala Lumpur International]* 65
'Aggressive Stand' in Bosnia Urged *[UTUSAN MALAYSIA 19 Jul]* 65
Mahathir on Merits of Bakun Hydroelectric Dam *[THE STAR 20 Jul]* 66

Singapore

Complaint on Malaysian Import Procedures Withdrawn *[Singapore Radio]* 66
Article Previews SRV Membership in ASEAN *[BUSINESS TIMES 19 Jul]* 66

Cambodia

Hun Sen Joins 'League of Cambodian Journalists' *[PHNOM PENH POST 14-27 Jul]* 67
Khmer Rouge Report 15 Jul Battle Successes *[Radio PGNUNS]* 69
Government Forces Recapture Treng Base *[REAKSMEI KAMPUCHEA 19 Jul]* 69

Government, Khmer Rouge on Khla Ngoap Base 70
  Troops Claim Base Retaken *[REAKSMEI KAMPUCHEA 19 Jul]* 70
  Khmer Rouge: Under NADK Control *[Radio PGNUNS]* 70
Khmer Rouge 'Minister' Mak Ben on Famine *[Radio PGNUNS]* 71
Khmer Rouge Urge Adherence to 10-Day Plans *[Radio PGNUNS]* 72
Rubber Plantation Privatization Plan Outlined *[PHNOM PENH POST 14-27 Jul]* 73

Indonesia

Minister Ginanjar Discusses World Bank Issues *[SUARA KARYA 18 Jul]* 74
Protesting Bogor Workers, Security Forces Clash *[MERDEKA 18 Jul]* 75

Philippines

'Stabilizing' Effect of U.S.-SRV Ties Seen *[MANILA STANDARD 18 Jul]* 75
Background on Upcoming Spratlys Talks With PRC *[BUSINESS WORLD 19 Jul]* 76
Ramos Okays Military Unit for UN Forces in Iraq *[Quezon City Radio]* 77
Ramos Claims Insurgent Forces Dwindling *[MANILA STANDARD 17 Jul]* 77
Police Deny Terrorists 'Roaming Around Manila' *[Quezon City Radio]* 78
Government, Military Rebels Resume Peace Talks *[Quezon City Radio]* 78
Private Ramos-Misuari Meeting 'Not Proper' *[Quezon City Radio-TV]* 78
NDF Seeks To Continue Peace Negotiations *[PHILIPPINE DAILY INQUIRER 15 Jul]* 79
Foreign Partners Sought for Visayas Phone Upgrade *[MANILA STANDARD 15 Jul]* 79
Ramos Approves Northwestern Luzon Growth Area *[MANILA BULLETIN 14 Jul]* 79

Thailand

New EU Tariff Adjustment Scheme Assessed *[BANGKOK POST 18 Jul]* 80
Foreign Minister Comments on Thanong Extradition *[BANGKOK POST 19 Jul]* 81
Narong 'Ready' To Take Interior Minister Post *[BANGKOK POST 19 Jul]* 82
Article Discusses Reaction to New Cabinet Lineup *[THE NATION 19 Jul]* 82
Editorial Sees No 'Euphoria' in Banhan Cabinet *[THE NATION 19 Jul]* 84
Dailies Disappointed With New Cabinet Lineup *[SIAM POST 19 Jul, etc.]* 85
Business Sector 'Shaken' by Cabinet Lineup *[THE NATION 20 Jul]* 86
New Foreign Minister's Credentials Viewed *[BANGKOK POST 19 Jul]* 87
Finance Minister on Experience, Future Tasks *[THE NATION 20 Jul]* 88
Logging Companies Said Expanding KR Links 88
  Firms Cited *[ATHIT 2-8 Jun]* 88
  Logging Storage Sites Noted *[SIAM RAT SAPDA WICHAN 4-10 Jun]* 90

Vietnam

Essay Recalls Downing of Many U.S. Aircraft *[QUAN DOI NHAN DAN 4 Jul]* 92
Normalization of Ties With U.S. Hailed *[Hanoi Radio]* 92
Trade With U.S. Expected To Increase *[Hanoi International]* 94
Author Accused of Distorting War With U.S. *[QUAN DOI NHAN DAN THU BAY 27 May]* .. 94
Officials Meet Donor-Country Representatives *[VNA]* 96
National Day Amnesty for 2,900 Proposed *[VNA]* 96
'Sources' on Amnesty for Political Prisoners *[AFP]* 97
Radio Commentary Hails Trade Accord With EU *[Hanoi International]* 97
Foreign Firms Allowed To Buy Foreign Currency *[VNA]* 98
Minister Interviewed on Labor Policy *[VIETNAM INVESTMENT REVIEW 3-9 Jul]* 98
Minister Interviewed on Building Security Forces *[NHAN DAN 18 Apr]* 99
Ho Chi Minh City Budget Losses Noted *[DAI DOAN KET 3 Jun]* 102
Khanh Hoa Military Prepares for Party Congress *[Hanoi Radio]* 104

Japan

Kamei Leaves for Aviation Talks in Los Angeles

*OW2007090695 Tokyo KYODO in English
0857 GMT 20 Jul 95*

[FBIS Transcribed Text] Tokyo, July 20 KYODO — Transport Minister Shizuka Kamei left Japan on Thursday [20 July] to meet U.S. Transportation Secretary Federico Pena later in the day in a bid to forestall trade sanctions over an escalating aviation row.

The Los Angeles talks, which center on Japan's refusal to allow cargo shipper Federal Express Corp. to add new Asia routes through Japan, rose to a cabinet level after vice ministers failed to make progress in the dispute last weekend.

Going into the talks, the U.S. has appeared conciliatory while Japan has maintained its hard-line stance.

Washington wants to resolve the issue through discussions instead of sanctions, a U.S. Government source said, and the Americans have indicated a willingness to discuss Japan's dissatisfaction with a bilateral aviation treaty if Tokyo first grants the Fedex flights.

But Kamei said he sees "no scenario for a resolution. We aren't going to give in and if we remain apart as a result of the U.S. moves it can't be helped."

Japanese negotiator Masahide Ochi, ministry senior counsel and just-retired vice minister for international affairs, also said he has "no feeling of heading toward agreement."

The deputies, who include Ochi and Assistant Secretary of State Daniel Tarullo, will meet before the ministers gather in the evening to confirm each other's position on core issues, Transport Ministry officials said.

Those issues are a U.S. demand that Tokyo immediately grant the requests as a "beyond right" provided for in the 1952 treaty and Japan's demand that the aviation accord be renegotiated, they said.

Japan says the treaty locks in lopsided U.S. advantages from the occupation era, when America had overwhelming control of the skies.

U.S. officials counter that Japan, rather than seeking to expand its beyond rights through the U.S., is trying to restrict efficient U.S. competitors from the burgeoning Asian business. Washington will not discuss the accord itself until Japan meets its existing treaty obligations, they said.

The U.S. has finished taking comments on its proposed sanctions and could implement them at any time. The sanctions would bar U.S. landings of flights via Japan by Japan Airlines and Nippon Cargo Airlines from Hong Kong, Indonesia, Singapore, Taiwan and Thailand.

Kamei and other officials have indicated that Japan is ready to retaliate immediately in kind.

'Not Optimistic' About Talks

*OW2007083095 Tokyo KYODO in English
0747 GMT 20 Jul 95*

[FBIS Transcribed Text] Tokyo, July 20 KYODO — Japan is not optimistic about the prospect for success in aviation negotiations with the United States, a government spokesman said Thursday [20 July].

"We are not optimistic about bilateral talks at either subcabinet or ministerial levels," Chief Cabinet Secretary Kozo Igarashi told a news conference.

But he also expressed hope the two countries can strike a deal in a ministerial meeting between Transport Minister Shizuka Kamei and U.S. Transportation Secretary Federico Pena in Los Angeles on Thursday.

Government Spokesman Comments on Aviation Talks

*OW2007103995 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese
0832 GMT 20 Jul 95*

[News conference by Chief Cabinet Secretary Kozo Igarashi with unidentified reporters at the prime minister's official residence conference room at 0702-0709 GMT on 20 July]

[FBIS Translated Text] [Passage omitted] [Reporter] In regard to the Japanese-U.S. aviation talks, it seems that in some quarters of the Transport Ministry voices have been raised indicating that the ministry is prepared to annul the existing aviation treaty. Mr. Secretary, you yourself seem to have made remarks with a view to annulling the treaty, and you also seem to have indicated that full consultations have been made with the prime minister's office on this matter. Is the government prepared to annul the treaty if circumstances require?

[Igarashi] Currently, Japan and the United States are holding talks on civil aviation at the subcabinet and ministerial levels, but I feel that the situation does not quite allow us to be optimistic. However, I believe both countries fully desire a settlement of the issue. So, for that matter, I hope they can strike a final deal at the ministerial talks. That is about all there is at the current stage.

Possible Compromise in Aviation Talks Seen

OW2007025995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Jul 95 Morning Edition p 7

[FBIS Translated Text] Japan and the United States will hold ministerial talks on aviation beginning 20 July in Los Angeles. It is now more likely that the two nations will seek a settlement of their dispute over civil aviation via a mutual exchange of new operational rights and interests. To rectify the cargo sector, which is balanced in favor of the United States, the Ministry of Transport [MOT] believes a "settlement would be possible if we can gain more in terms of rights and interests than the United States" (according to an official at the MOT Civil Aviation Bureau).

As the MOT plans to approve new service routes requested by a major U.S. cargo carrier—Federal Express—contingent on U.S. agreement to Tokyo requests to allow Japanese carriers access to the U.S. from Kansai International Airport and easing restrictions on cargo flights to Chicago, a point of compromise could emerge that will result in "increased benefits for both Japan and the United States" (according to Transport Minister Shizuka Kamei).

Regarding Washington's agreement to hold ministerial talks, it is widely held in Japanese aviation industry circles that "the United States has judged that an exchange of sanctions would not be beneficial and decided to promptly wrap up the talks via a mutual exchange of rights and interests." This view is popular because among U.S. firms, Northwest Airlines has voiced objection to sanctions against Japan. In its second statement, submitted 14 July, even Federal Express, while insisting that sanctions be invoked beginning on 1 August, indicated a flexible stance, saying: "We seek a settlement on friendly terms."

In some MOT quarters, it is also viewed that "since the end of last week when U.S. negotiators returned home after cutting off sub cabinet-level talks, an atmosphere has emerged [within the U.S. Government] to seek a settlement via putting off sanctions" (as stated by an official at the MOT Civil Aviation Bureau).

The United States dominates the air cargo industry relative to the number of flights servicing Japan, the United States, and Asian countries. Therefore, if Tokyo and Washington were to exchange sanctions, the United States would suffer heavier damages. It is noted that the United States has not decided to invoke sanctions against Japan because it has calculated the loss that could result from the sanctions.

In response to possible U.S. sanctions, Thailand has announced plans to aid Japan by having Thai Airlines replace Japanese carriers in transporting cargo. Japan Airlines and Nippon Cargo Airlines (NCA) are also studying the possibility of linking with other airline companies to dodge any sanctions in a similar manner.

Prospects for Japan-U.S. Aviation Talks Viewed

OW2007092595 Tokyo YOMIURI SHIMBUN in Japanese 19 Jul 95 Morning Edition p 7

[Unattributed article: "Aviation Talks — U.S. Concession Holds the Key"]

[FBIS Translated Text] Japan and the United States will hold ministerial aviation talks in Los Angeles beginning 20 July in a bid to settle the Japan-U.S. aviation talks, in which the two countries have confronted each other over the demand by Federal Express Company, a major U.S. air cargo carrier, for new air cargo routes. As a result, the United States will defer its decision to impose sanctions against Japan for the time being. However, if the ministerial aviation talks break down, Japan will not be able to avoid sanctions by the United States. At the upcoming ministerial aviation talks, both sides will seek an eleventh-hour deal to avert sanctions.

The talks will focus on a compromise proposal acceptable to both sides. The United States, which has called the Federal Express demand for seven new air cargo routes an extension of its "established rights," still refuses to go along with Japan's proposal to swap the rights claimed by Federal Express for the new air cargo routes sought by Japan.

Transport Minister Shizuka Kamei has said: "I will seek a realistic solution to the aviation dispute between the two countries through expanded equilibrium." The transport minister is taking a flexible stance by saying: "If swapping additional air cargo route rights for U.S. airlines other than Federal Express for new air cargo route rights for Japanese carriers actually brings a balance to air cargo route rights between the two countries, then Japan is willing to go along with Federal Express on its demand for new routes" (says a senior Transport Ministry official).

The same senior Transport Ministry official also says that to reach an agreement on a swap of air cargo routes after Japan accepts the Federal Express demands for new air cargo routes, Japan and the United States will follow the precedent of provisional deals struck between them in 1985 and 1987. Thus "it is indispensable for Japan to obtain a definite promise from the United States that all the requests from both sides for new air cargo routes will be resolved simultaneously." Japan intends to find a way to review the unequal Japan-U.S. Aviation Agreement.

As for specific new air cargo routes, Japan has strongly demanded that the United States allow Japanese airlines to transport cargo from Kansai International Airport, opened last September, to U.S. destinations as a symbolic achievement of the aviation talks.

Calling the Federal Express demand for seven new air cargo routes an extension of its "established rights," the United States plans to separate the demand from the swap of air cargo routes between the two countries. In that case, the key is whether the United States grants Japanese airlines more air cargo routes by making concessions to Japan.

Japanese and U.S. negotiators bridged their differences but failed to go into details in three rounds of the vice ministerial aviation talks, leaving a final settlement to the ministerial aviation talks (says the same senior Transport Ministry official). Therefore, the ministerial aviation talks are not in a position to hammer out an agreement quickly, and the talks are expected to face rough going.

Garten To Visit Tokyo for 'Broad-Based' Talks

OW2007075195 Tokyo KYODO in English 0711 GMT 20 Jul 95

[FBIS Transcribed Text] Tokyo, July 20 KYODO — U.S. Commerce Undersecretary Jeffrey Garten will visit Japan at the end of the month to meet senior Japanese Government and industry officials, not to argue over a recent bilateral car deal, U.S. and Japanese officials said Thursday [20 July].

The Ministry of International Trade and Industry (MITI) is arranging for Garten to meet Yoshihiro Sakamoto, MITI vice minister for international affairs, MITI officials said. Sakamoto was Garten's counterpart in the June 28 talks in Geneva that averted huge U.S. trade sanctions.

The talks will be broad-based, both sides said, denying reports that Garten is coming to gripe about Japan's response to the car deal. The news reports are "totally untrue," one U.S. official said, and a MITI official noted that formal signing of the accord is not even complete.

"It's where we go from here in U.S.-Japan trade relations," the U.S. official said. "He's not coming here to negotiate. I think he'll be looking to the future."

Responding to a SANKEI SHIMBUN report that he did not want to meet Garten for the time being, Sakamoto told KYODO NEWS SERVICE, "I didn't say such a thing."

MITI has disputed parts of a "fact sheet" the U.S. handed out in Geneva at the time of the agreement claiming that the United States misleadingly implies the Japanese Government participated in U.S. estimates, such as expected increases in Japanese automakers' foreign-parts imports and overseas purchases and in the number of Japanese dealers handling foreign cars.

Japan has already given the U.S. the English version of the July 14 rebuttal, and it will not likely be a topic for Garten and Sakamoto, a MITI official said.

Garten is expected to be in Tokyo July 30 to August 2 to meet a range of government and industry officials, a U.S. Embassy official said, adding that he did not know exactly whom Garten will meet.

The undersecretary is slated to give a luncheon speech at the Foreign Correspondents Club of Japan on July 31.

Background to Toyota's Voluntary Plans Discussed

OW2007024795 Tokyo SHUKAN DAIYAMONDO in Japanese 15 Jul 95 P 38

[Interview with Fujio Cho, managing director of Toyota Motor Corporation, by unidentified SHUKAN DAIYAMONDO staff member: "If They Were Imposed, Sanctions Could Have Been a 'Death Sentence'"; place and date not given; first paragraph is SHUKAN DAIYAMONDO introduction]

[FBIS Translated Text] The Japan-U.S. auto negotiations had been reported to be on the verge of an inevitable rupture. However, the two countries at last reached an agreement, owing to the decisive announcement of voluntary plans by Japan's five major automakers. The plans' main points are expanded import of foreign-made auto parts and an increase in auto production and in the ratio of procurement in the United States. Fujio Cho, managing director of Toyota Motor Corporation, was asked about how the announcement of the voluntary plan came about and what sorts of effects the sanctions would have inflicted.

[SHUKAN DAIYAMONDO] The announcement of the voluntary plans came at dawn on 29 June. How did the announcement, which played a decisive role in the agreement, come about?

[Cho] We waited until the last moment before making our plan public. We had a consensus within the corporation on 27 June that the announcement would be made anyway, whether or not there was an agreement. On the 28th, we were ready to make the announcement any time after 1700, when I returned to Tokyo from Toyota City where we had held the stockholders' meeting. Though we wanted to decide the announcement's timing by way of information provided by our personnel dispatched to Geneva where the auto negotiations were held, we were completely unable to grasp the situation because we could not get in touch with the negotiators who had locked themselves inside the conference room.

Although I had no information on other automakers' movement, I made up my mind to make the announcement and was headed toward the news conference room when I heard that two out of five automakers had made their plans public.

[SHUKAN DAIYAMONDO] What was the reason behind your decision to make the plan public, whether or not there was an agreement?

[Cho] We decided to do so, if an earlier announcement of our voluntary plan could be useful, in order not to harm Japan-U.S. relations and not to make ourselves subject to sanctions. We wanted to demonstrate that we were not totally entrusting the government with the matter and that we also had been endeavoring to avoid the sanctions from being imposed.

[SHUKAN DAIYAMONDO] Had you ever thought of making public the numerical targets if that action would prevent the negotiations from breaking down?

[Cho] We discussed every possibility within the corporation and I would not deny that.

[SHUKAN DAIYAMONDO] Have you anything to reflect upon in retrospect of the negotiations?

[Cho] U.S. publicity campaigns taught us a valuable lesson. U.S. Trade Representative Mickey Kantor in a moment won the U.S. people including Republican legislators over to his side, a 70 percent popular support. He succeeded to plant among the U.S. people an image that Japan is really an outrageous country. I was criticized by one of my acquaintances in New York, "What are you doing?" We should make efforts to learn more about this.

[SHUKAN DAIYAMONDO] Do you not suppose that the United States would check on the progress of your voluntary plan?

[Cho] Toyota's performance in investments in the United States and expanded employment there has been widely recognized. Therefore, I do not think that checks will be made. When the U.S. Government, congressmen, or governors are contacted by Toyota's U.S. subsidiary, most of them are of the opinion that they "are personally well aware of Toyota's good performance." However, these people do not speak to the outside in our favor, "Toyota is doing fine and it should be excused from sanctions." The atmosphere in the United States probably was not tolerant of such remarks.

[SHUKAN DAIYAMONDO] Was it true that Toyota and the U.S. Trade Representative Office had had a prearranged scenario of agreement?

[Cho] Absolutely inconceivable.

[SHUKAN DAIYAMONDO] What could have occurred if the negotiations had broken down and sanctionary measures of levying a 100-percent punitive tariff on luxury cars had been imposed?

[Cho] An American remarked, "At first, fingers go bad, then decay expands to the arms, and finally life is lost." U.S. Toyota President Sakai compared the sanctions to a death sentence.

It was reported that the 170 Lexus outlets, Toyota's sales channel of luxury cars in the United States, would be compelled either to implement layoffs or close. About 100 out of about 1,100 Toyota dealers of ordinary cars deal with luxury cars too. If the Lexus goes out of business before they could recover investments, their ordinary car shops, too, will naturally be affected. Japanese employment would have been definitely dealt a serious blow if sales of the luxury cars were halted by sanctions, because 85,000 were sold last year.

[SHUKAN DAIYAMONDO] Finally, was the current negotiation a victory or a defeat?

[Cho] It was a draw.

Shintaro Ishihara Discusses Militarization

952A0563A Tokyo VOICE in Japanese 1 Jun 95 pp 82-85

[Article by Shintaro Ishihara: "The Day Japan Becomes a Military Country"]

[FBIS Translated Text] Although it may change qualitatively and quantitatively, the security system will probably have to be firmly embraced for the foreseeable future. The United States, especially its Defense Department, has emphasized U.S.-Chinese military relationships and promoted bilateral interchange. This is being done on the premise that Russia remains a military threat. However, such an assumption is both banal and weak.

Neither Japan, Germany, nor any of the NATO nations look upon Russia as part of the "West versus East" confrontation that once existed. Although military, technical potential, including nuclear weaponry held by Russia, still exceeds that of China, the former has neither the resources, capability, nor inevitability to exercise any form of adventurism.

A matter of concern to Japan is military adventurism on the part of China. The Chinese seem to be wise, but their ideas are outdated. They still feel that eminence in terms of military strength represents national power. They still worship brute force which now must undergo attrition. That is the case even though we are now in the period when future, international politics and relationships will be influenced not by military power but by economics. It is an excellent move by China that she is adopting a market economy, but she is also making preparations to display classical military strength as a means to influence neighboring nations.

There is no telling whether China will continue to develop economically, but some statistics indicate China may soon become a net importer of petroleum. To counteract that potential China is attempting to forcibly relocate large numbers of prairie dwellers to Taklaman Desert which reportedly contains oil reserves. As reportedly this territory belongs to a different race, the Chinese are trying to justify the area as part of China by forcing political offenders to migrate to and develop the desert area. Further, they are attempting to lay claim to territorial rights over the Nansha (Spratly) and Xisha (Paracel) Islands for purposes of offshore oil field development. A look at geographical maps indicates the assertion that the Nansha Islands represent Chinese territory is tenuous. The Xinan Islands are located just off the shores of Vietnam and the Nansha Islands are located far from China and just off the shores of Palawan Island in the Philippines. When Vietnam and the Soviet Union maintained amicable relations, China once asserted territorial rights over the Xisha Islands and Vietnam expressed fierce anger, but the United States, then assuming an adversarial position and Russia assuming a friendly position, failed to speak out. Their silence demonstrated just how unreliable major powers' attitudes can be when they give priority to potential, future, economic interests.

Normally, military power is exercised on a priority basis to defend territorial rights. However, China brazenly exerts those powers in an attempt to take advantage of weaker nations. It mobilized archaeologists to plant ancient coins and earthenware on the Xisha and Nansha Islands only to later gather them for use as a basis in asserting that the islands represented Chinese territory.

Japan's Senkaku Islands could become the target of similar actions in the future. When Deng Xiaoping visited Japan and he was asked how the Senkaku Islands should be treated, he replied, "That is a complicated issue, so let us relegate the issue to the younger generation." Such an attitude is outrageous, but the ignorance of Japan's Foreign Ministry and the mass media caused them to assume the amicable attitude that such statements indeed reflected Chinese wisdom. Originally, those islands were returned as inherent Japanese territory as part of Okinawa, which had been occupied by the United States. Those islands are listed in official documents exchanged between Japan and the United States in connection with the return of Okinawa. However, talk of possible offshore oil wells, subsequent to the return of the islands to Japan, prompted China and Taiwan to assert that the islands belonged to them. Although the issue was supposedly postponed for disposition in the future, in 1992, the Chinese Government revised its laws on territorial waters and reflected the Senkaku Islands as Chinese territory.

An issue worthy of attention is that nationalism is a popular topic in Taiwan now. In the past, the flight information region demarcation line was designated as traveling over Yonaguni Island, but the line has now been altered to travel east of the island. This means that Japanese territory has become a part of the Taiwanese territorial air zone. Correctly placed, the demarcation line should be drawn between Yonaguni and Taiwan. The Taiwanese action has made it impossible for Japanese Air Self-Defense Force (ASDF) aircraft to fly over Yonaguni Island. If ASDF aircraft do so, Taiwanese planes appear on the scene as part of a military intercept action called scrambling. Moreover, poaching by Taiwanese fishing vessels and approaches by Taiwanese naval patrol ships have prompted Japanese fishermen in the area to appeal to the governor and the governor to seek action by the Japanese Government, but the latter has failed to take any action out of fear. Lacking any other recourse, the prefectural government complained directly to the Taipei government whose foreign department, i.e., Foreign Ministry high official, declared that the Taiwanese government does not recognize Okinawa as Japanese territory. When an inquiry was placed with the Asia Bureau director general regarding the Taiwanese statement, he replied, "I do not know of such a statement," adding, "However, that is outrageous."

Now, the question arises as to who is going to make a statement on the problem? The United States will not make a statement siding with Japan under any circumstance. And, once Taiwan makes such an assertion, China reacts identically. We must recognize that for Beijing, Taiwan is a part of China. On such issues, all Chinese take unified action.

The securities treaties profess that the United States will protect Japan and South Korea. The U.S. military presence in Asia is summarized as a symbol in the Japanese-U.S. and U.S.-South Korean security treaties. That being the case, I have insisted in the past that Japanese-U.S. joint naval exercises should be held in the East China Seas under the provisions of the Japanese-U.S. security treaty, if the Chinese Navy should persist in illegal on-board inspections in the East China Seas.

Such actions would represent a logical display of military potential. However, the United States fails to do so, and Japan does not have the courage to take such action.

Whether it be the Xisha Islands or the Nansha Islands, such requests will be placed with the United States in the future by the Philippines, Vietnam, and Indonesia. Those nations will question whether the United States is friend or foe. The question is, will the United States take action against China for the sake of Asia? In essence, Xisha and Nansha islands will become a test for the United States in terms of its commitment to the security treaties. In recent times, the Philippines responded with scrambling interceptions composed of several fighter planes to Chinese approaches to the Nansha islands. However, China is reportedly about to purchase aircraft carriers to assert its territorial rights, and the question arises as to how the Philippines will respond in that case. The Philippines cannot take an adversary position against China, but if a Falkland Island-type situation should arise in Asia, the question will arise, how will the United States, which exercises some ambitions with respect to Chinese markets, react? In other words, will the United States act as a friend to the weak or will it condone the actions of the strong?

Actions taken by the United States under such circumstances will illustrate the reliability of the Japanese-U.S. and U.S.-South Korean security treaties. If the United States fails to act under those circumstances, we must face the fact that Japan's Senkaku Islands will face an identical fate. If the United States remains silent, we will have no choice but to say the United States should leave and that we will take care of our problems by ourselves.

The United States must not misconstrue that Japan and other nations place confidence and trust in the U.S. military presence because of the Japanese-U.S. security treaty. At issue now is not Russia, but China. If mistakes are made in this respect, confidence in the United States will quickly disappear, accompanied by the possiblity of quick creation of a militarized Japan. Under such circumstances, arguments for a defensive structure will boldly prevail, arguments will arise for the creation of a large navy to defend the Senkaku Islands, and the potential will even arise of an argument for building nuclear submarines.

And, it will become a situation in which a United States, having assumed such an attitude, will have no reason to say that such actions on the part of Japan are not desirable. The United States can in no way tell Japan to cede territory which it had returned to Japan as inherently part of that nation, as demanded by China. If the United States should commit itself to certain actions as part of a military agreement with China, Southeast Asian nations will harbor suspicions and heighten their anti-American sentiments. At any rate, we must realize that there is no telling what the Chinese will do from a historical or military hegemony perspective.

If it comes to the point where the Japanese-U.S. security treaty is ineffective for Japan or Southeast Asia, and the United States as a major power merely truckles to the positions taken by China much like Japan, we may see arguments arise at the beginning of the 21st century saying that the United States should abandon its installations in Japan and that the Japanese will take care of their own problems. In a sense, justifiable military nationalism may appear in Japan depending on the position taken by the United States. Nations and their people cannot forever tolerate humiliation, meaning they cannot afford to assume an amicable attitude once they are deprived of national territories and resident families. Such circumstances can lead to sudden and sharp nationalism. Administration of the Japanese-U.S. security treaty may soon face a test depending on the position taken by China, as well as a sharp change in the nationalistic characteristics of Japan.

Articles Discuss Security Treaty With U.S.

Treaty Called 'Dinosaur'

952A0563B Tokyo VOICE in Japanese
1 June 95 pp 85-87

[Article by Yoshiki Hidaka, chief researcher, Hudson Institute: "The Japan-U.S. Security Treaty Has Become a Dinosaur"]

[FBIS Translated Text] When viewed with emphasis placed on politicians' sentiments in Washington, the Japanes-U.S. security treaty is a "dinosaur."

We hear comments to the effect among politicians that, "Now that the Cold War has ended, there is no need to maintain the Japanese-U.S. security treaty," and sharply intensified views of experts on military affairs who say, "We should seek Asian security in coordination with China and Russia as a means to forestall military expansion on the part of Japan."

Official U.S. Government policy, needless to say, calls for the maintenance of the Japanese-U.S. security treaty. Although prone to be forgotten by Japan, for the United States, the Japanese-U.S. security treaty is based on a policy for preventing unilateral reinforcement of military power on the part of Japan and for preventing it from expanding its military influence in Southeast Asia or developing nuclear weaponry.

Accordingly, the Far East Command concept, announced by Assistant Deputy Defense Secretary Nye at the beginning of this year, was compiled with a view to protecting the security of Asia and the Far East, while concurrently preventing military expansion on the part of Japan.

However, reaction from politicians in Washington questioned, "Is there a need for the United States to concern itself with such matters?" In the postwar United States, the gap has continued to widen between defense authorities and politicians on the issue of security.

The Hudson Institute, where I serve as chief researcher, is a conservative think tank which does research for the White House and the U.S. Navy, but Defense Research Department Chief Lieutenant General Odom advocates a collective security system for Asia and the Far East participated in by the United States, China, Japan, and Russia. U.S. conservative forces have begun to think, "There is no need for the United States to shoulder responsibility for the security of Asia and the Far East. Control of Japanese military strength should be made a matter of collective responsibility."

The idea is to place Japan under a joint military system comprising the United States, China, and Russia, and in exchange for assuring regional security, to continue to prevent Japan from expanding militarily, or to develop nuclear weaponry.

It is only logical that a Japanese-U.S. security treaty, which one-sidedly obligated the United Stated to defend Japan, has reached a natural death in Washington in such a political climate. It was only a few days ago that a young staff officer informally commented after a political seminar held in a hotel in Washington, which was attended by high officials of the White House, "Why must the United States continue to protect a Japan which persists in accumulating a huge trade surplus?"

The foregoing statement is symbolic of sentiment now prevailing in Washington concerning the Japanese-U.S. security treaty.

However, in Japan, Japan has assumed installation-operating expenses of the U.S. Forces in Japan in the form of a "sympathetic budget" and continues to purchase new U.S. weaponry as dictated by the United States, thus causing the Japanese to lose sight of the "one-sided nature" of the security treaty.

Japan has convinced itself that it has assumed equitable responsibility under the security treaty by looking only at the economic perspective. Of special note is the fact that a comparison of housing for military personnel in U.S. installations and that of Japanese Self-Defense Forces personnel indicates that the former is far superior, thus giving the Japanese a strong feeling that, "We are accommodating U.S. needs even at the cost of cutting back on Japanese defense spending."

On the other hand, as defense capabilities of the Japanese Ground, Maritime, and Air Self-Defense Forces strengthen, even SDF sources have begun to say, "In terms of defense, the Japanese archipelago is the most elaborately protected region of the world, and any U.S. Forces which come to these islands need not think in terms of providing defense capabilities."

Japanese military strength is definitely growing both from a quantitative and qualitative basis and is reaching global prominence, and operationally is assuming the posture of augmenting the U.S. Forces.

The Air Self-Defense Force (ASDF) is structured so as to defend Japan from invasion by the enemy; i.e., solely for the purpose of air defense, while the Maritime Self-Defense Force (MSDF) continues to be trained for the role of providing for the safe navigation of the U.S. 7th Fleet. The submarine fleet is deployed on the seas surrounding Japan to provide sonar defense of the 7th Fleet, while the Ground Self-Defense Force is dispersed throughout the islands in a defensive posture with no mobile capabilities.

The U.S. Forces which are deployed throughout the Japanese archipelago under the provisions of the Japanese-U.S. security treaty may not be able to avoid being thought of as living comfortably under the benefit of the sympathetic Japanese Government budget while being protected by the SDF, but as far as I know, U.S. Forces in Japan and the U.S. military leaders are grateful for such accommodations. They are especially grateful for the good, living accommodations under the provisions of the "sympathetic budget," and a high Pentagon official once asked me, "If the sympathetic budget and defense spending do not increase, won't the situation have a negative impact on the Japanese SDF morale?"

However, no matter how superior the SDF might be, in practice, U.S. land, sea, and air commanders have no intention whatsoever of fully delegating the defense system responsibilities to Japan. Although superficially they may speak of the "safe Japanese archipelago," they intend to maintain control over each of their respective defense sectors.

Accordingly, whether it be "air defense" or "antisubmarine surveillance," they maintain systems which are peculiar to the U.S. military. In essence, duplicative systems are maintained and the U.S. military does not embrace the concept that the "United States will handle the offensive phase and that Japan will handle the defensive phase." Division of offensive and defensive responsibilities is nothing more than idealistic thinking on the part of politicians.

On the other hand, politicians who serve in the U.S. Congress do not feel grateful in any way for the Japanese extended sympathetic budget, which is highly regarded by the U.S. Government and the Pentagon. The basic concept that they embrace is that, "the U.S. military should be positioned on U.S. soil to benefit local economies."

In other words, they do not think that the U.S. budget benefits to the extent that the U.S. military is deployed in Japan at the cost of Japan. Accordingly, the "sympathetic budget" has no political impact whatsoever on U.S. congressmen, but such impact is especially absent with respect to conservative Republican congressmen, who established a majority in Congress as a result of last year's midterm election.

These individuals are dedicated regionalists who put U.S. interests above all other matters and strongly advocate a "U.S. military for the sake of the United States." They feel that the U.S. military should benefit the regional economies by being stationed at domestic bases and should be deployed overseas only when an international crisis occurs which violates U.S. interests.

These forces which center around lower house Speaker Gingrich basically exercise a cautious attitude toward foreign countries and are especially suspicious of Japan, which is a world economic leader. This element will definitely and increasingly intensify its influence on Congress in the future and the question of, "Why must the U.S. military protect Japan?" will be asked with increased intensity.

In Washington, the perception has heightened that the nuclear controversy surrounding North Korea will soon result in a major change in Asia and the Far East. If North and South Korea merge and the military relationship among China, the Korean peninsula, Russia, and Japan changes, the fear has risen that Japan will strengthen itself militarily and seek to acquire nuclear weaponry.

As stated at the beginning of this article, the response for such fears will be a concept no doubt boldly calling for "collective security comprising the United States, China, and Russia, to which Japan is added." A policy calling for such a collective security system to protect Asia and the Far East, while concurrently restraining Japan, will be considered by the next administration.

Outlook for Treaty

952A0563C Tokyo VOICE in Japanese 1 Jun 95 pp 91-94

[Article by Terumasa Nakanishi, professor, Kyoto University: "A Decision for the Year 2010"]

[FBIS Translated Text]

If we were to be asked, what is the most important truth that history teaches us? it would be limited to the response, "All matters are subject to constant change and there is no end to vicissitudes." A valuable quality whether it be history or life, the more essential the given element, the more it is subject to constant change, and eventually the time will come for "parting."

When that time comes, whether or not we are "prepared," the stronger the historical trend in effect, which sweeps us along the way without regard for our personal preparations, the greater will be the deep emotions which are forced upon us by the prevailing trend.

Even if we are unable to discern "that time" accurately, there are times when it is possible and necessary to cherish a sense of its approximate "duration." On the other hand, in some cases, we can probably think in terms of methods to prolong, even to a small degree, its duration.

When we consider important, national, historical trends not limited to the Japanese-U.S. security treaty, in a manner similar to our personal lives' journeys, we must constantly prepare ourselves in terms of profound "resolutions" and "maximum human effort" within a given framework.

Already, five years have passed since the declaration of the "end to the Cold War," but what we have learned during that period is that the end of the Cold War did not signal the immediate elimination of the basis for the existence of the Japanese-U.S. security treaty and its demise in a manner similar to the Berlin Wall.

Exactly four years ago, Jun Eto and I engaged in a discussion titled, "The Remaining Life of the Japanese-U.S. Alliance," which was published in VOICE (July 1991 issue). In that discussion, in my rough outlook for changes in the post-Cold War period which I then embraced, I projected that the duration of the Japanese-U.S. security treaty would probably extend into the 21st century.

However, I expounded upon my projection up to the 21st century, by explaining that the treaty will undergo several "tests"—at stages, such as at the end of the first post-Cold War transition to arrive in the mid-1990's and the second transition to be confronted at the end of this century—by which its vitality will be gradually and continually tested, and that the duration of the treaty will cease under a completely changed world around 2002 or 2010 (i.e., after 50 years had passed in relation to the "old security treaty" or the "new security treaty", or roughly speaking in the middle of those two periods). That outlook has not changed even to this day, and I believe it is being increasingly reinforced as I look at recent global movements in relation to the Japanese-U.S. security treaty.

Needless to say, "estimating duration" constitutes an arrogant venture whereby in this world where nothing is constant, estimates of duration gone wrong prove that they are not subject to accurate projections. However, if the security treaty should be sustained over a longer duration, it must encounter a premise in some form of "good fortune" or monumental "method" which means that the treaty will be subject to the element of "duration."

If we consider the pace of historical vicissitudes concerning international order and the situational changes actually taking place with respect to the Japanese-U.S. security treaty, being mindful of "duration" as one form of timing in which we must "resolve" ourselves to face its arrival, will serve as a criterion or preparation for facing "that time" as peacefully as possible.

The pace of global changes in the post-Cold War period is more leisurely than was expected by many people. Many countries must devote themselves to domestic reconstruction. Movements currently under way to create a new world centering around economic activity will necessarily make change in the global situation one of a gradual nature. However, on the other hand, unlike the Cold War period, that will in no way represent a "stable" world.

On the other hand, the period to be known as the end of the 20th century will be one lacking in vitality for independent initiatives to effect changes, while people's "senses of risk" become overly sensitive and all nations will try to avoid major "decisions." Accordingly, energy accumulated for purposes of change will, similar to earthquakes, inherently and intermittently exercise itself on the global crust and undergo several stages in dismantling the international, political foundation and create a new balance (i.e., "new order").

Based on such special period characteristics, global changes entering the 21st century will be motivated primarily by "material forces" based on the sum of more profound but objective total energies, rather than on the basis of changes emanating from "conscious options" exercised by human beings. The question, "Why are events taking place in this manner?" will be answered frequently by the trend wherein the answer is not clear to people living in the age, but wherein changes will be determined by the "flow of events of the period." That fact can be realized by comparing the events four or five years ago when they spoke of the arrival of a "new world order" and the current situation.

A look at the situation surrounding the Japanese-U.S. security treaty indicates that the U.S. posture concerning involvement in foreign affairs has changed significantly (from the "world's only super power" to one in which it exercises selective involvement or gradual isolation) and even in the area of Japanese-U.S. relations, Japan's "reaction" to "managed trade" has had an unanticipated impact on U.S. perceptions concerning Japan. Further, the currency system has undergone increased turmoil and the trend of "cooperation among the Western entities" of the 1980's had diminished, while the strong yen-weak dollar relationship has progressed to the point where one dollar is worth 79 yen. This situation has important significance for Japanese-U.S. relations. Although ephemeral in nature (we would like to think), the Japanese GDP has exceeded that of the United States, and the Japanese-U.S. security treaty represents a real "global, historical anomaly" whereby the world's leading economic giant relies on a second-ranking nation for its defense.

However, this probably does not mean an immediate move to abolish the Japanese-U.S. security treaty or to subject it to a major restructuring. The reason is that the period covered by the "end of the century" will carry with it a special "moratorium" calling for the avoidance of all major "options."

Speaking in theoretical terms, the following four scenarios can be visualized for the future of the Japanese-U.S. security treaty: (1) Abolishment as an "option," (2) So-called conversion to a reciprocal treaty and other major restructuring, (3) Continuation with the current state of inertia, and (4) Introduction of multifaceted features including linkage with multinational treaties such as an Asian security treaty. Of these scenarios, (1) and (2) will require a "decision" on the part of either Japan or the United States or both nations under the provisions of the security treaty, but that possibility is inconceivable for the balance of this century. However, scenario (3) will probably be significantly shaken by an "aftershock" which will take place in the latter half of the 1990's.

The midterm election of November last year surfaced a renewed move for "tax cuts" in the United States, adversely affecting world order (the move is one cause for the current currency crisis). The move has definitely neutralized the prospects for eliminating the U.S. fiscal deficit before the 21st century. At the end of the 1990's, we will face a situation in which the Japanese-U.S. security treaty and global U.S. forces will have to be "funded" by some monumental "method" exceeding the dimensions of funding for U.S. Forces in Japan and not commonly existing today.

During that time frame, we will probably be able to project in one form or another the future situation concerning the Korean peninsula and China in the post-Deng Xiaoping period. The "pinching game" between the United States and North Korea will probably continue until then, and we will know whether or not there will be a need for the continued presence of U.S. Forces in South Korea. I would say that possibility is limited. There is no doubt that visualizing a soft-landing scenario for the Kim Il-song structure is difficult, but in a similar manner, a scenario visualizing a "second Korean war" is difficult to see. Even the future of Chinese-Taiwanese relations and the Nansha issue is difficult to project, but the United States will probably continue to do everything within its power to avoid a military conflict or any sort of strategic confrontation with China, thus indicating the lack of any basis for a direction in which the Japanese-U.S. security treaty is revitalized in terms of an option calling for an "alliance opposing China."

If we turn to Europe and Russia, NATO will probably be forced into some sort of significant reorganization at the end of this century, and the possibility is substantial that an approach will be initiated which achieves compatibility between "U.S. involvement" and "European self-defense." If those changes take place, the attitude of Americans which look at the Japanese-U.S. security treaty as a similar "Cold War alliance" will be altered.

Russia will have entered a relatively stable period after undergoing the (scheduled) 1996 presidential election, increasing the expected possibility of "Russian-style national administration" emanating from a mild form of nationalism (albeit in relative terms). At the end of this century, the Japanese-U.S. security treaty, within the framework of such an increasingly diversified world, could once again face an "identity crisis."

However, even then, we will probably not witness the collapse of the treaty. The reason is that as long as no other "arrangements" exist, a force exerts itself during global moratorium periods in which every effort is made to "avoid the worst case scenario."

However, basically, the question arises as to why there is a need for "arrangements" and the theory concerning the "cork in the bottle" surfaces. The Japanese-U.S. security treaty cannot be abandoned by the United States due to the interests of the Asian nations in response to the "Japanese threat." However, the question arises, how long can we tolerate an alliance which views oneself as a threat (while constantly facing a demand for increasing "contributions"). If some sort of "preparation" can be made by "that time," we probably will not be able to avoid a linkage of the Japanese-U.S. security treaty with an Asian regional security treaty. When a new Asian order is created by the year 2010, the once familiar Japanese-U.S. security treaty will have been consigned to history.

Treaty 'Not Defunct'

952A0563D Tokyo VOICE in Japanese 1 Jun 95 pp 97-100

[Article by Tadae Takubo, professor, Kyorin University: "A Message to Mister Watchdog"]

[FBIS Translated Text] If asked, "Is the Japanese-U.S. security treaty defunct?" I would answer, " It is not defunct yet." In fact, let me say that its importance has once again gained renewed recognition by the Clinton administration. The U.S. Defense Department, sequentially released the "East Asia-Pacific Region Security Strategy" on 28 February, the "Japanese-U.S. Security Report" on 1 March, and the 1995 defense report on 6 March. If one were to summarize the contents of these three documents, he could probably say that there has been a renewal of efforts to strengthen security and political ties with allied nations including Japan.

Frankly speaking, the Clinton administration has continued a cool posture toward Japan from the day of its inauguration. This was probably to be expected since its so-called public commitment consisted of the rebuilding of the domestic economy, but we get the strong impression that he has implemented a policy toward Japan which unqualifyingly adopted the assertions of revisionists who have advanced the theory of Japanese anomaly. I have made no special effort to review public opinion surveys, but erstwhile anti-American nationalism has intensified and influential speakers have begun to position Japan as an Asian nation. I have no intention of assuming the personally advantageous interpretation that the Clinton administration has decided to modify its policy toward Japan as a result of lessons learned, but it is truly advantageous that the United States has come to understand the importance of security and political ties in addition to economic ties. The question arises, is there an absence of problems with Japanese-U.S. relations?

In essence, this is my departure point for additional comments. I desire that good relationships with the United States will remain unchanged. However, the question arises, can we justify the observation that they are unchangeable?

The East Asia security strategy and the defense report will probably continue as Clinton administration policy for the near term, but to make a long story short, there is the possibility of a Republican administration in the United States two years hence. It will not be easy to arrive at a conclusion unless considerably detailed observations are continued concerning Republican Party positioning of Japan as part of an overall Asian policy. I believe that whether it be a Democratic or Republican administration, the United States will probably desire to play the role of global policeman as has been the case in the past as long as doing so is possible. However, the question arises, would it be acceptable that we become convinced that the United States will continue in such a role? It would appear that desire and observation are two different things.

The global environment which surrounds Japan and the United States has changed dramatically. According to a statement made by Harvard University Professor Huntington, who wrote "The Clash of Civilizations," there is a need for three forms of adhesives for the maintenance of a relationship of alliance, i.e., a common enemy whom we are willing to fight on a joint basis, agreement in economic interests, and common value concepts. During the Cold War, the common enemy of both Japan and the United States was the Soviet Union, but the Soviet threat has declined sharply. It would be self-serving for us to think that Japanese-U.S. relations remain unchanged because the "North Korean threat" and the "Chinese threat" have now replaced the Soviet threat. On the other hand, the question arises, was the United States really thinking that it was acceptable to sacrifice the lives of young American men during the Cold War era to protect democracy or to defend Japan as an ally?

Japanese-U.S. economic interests have reached a stage where they are mired in a difficult situation. The attitudinal wherewithal to seek a mature resolution at an appropriate point because of the sacrificial relationship on security matters is not discernible at least at the center of the U.S. Government. Professor Huntington has stated that common value concepts emanating from a politics based on democracy and market economies based on economics are very ineffective as adhesives.

The military, economic, and political significance of the Japanese-U.S. security treaty has not been completely eliminated. However, it would be unreasonable to automatically replace the "Soviet Threat" with the "Chinese threat" from a military perspective. Even if U.S. intentions to maintain a balance of influence in the East Asia-Pacific region remain unchanged, U.S. diplomatic and defense policies formerly applied to the Soviet Union cannot be applied to China without change.

It is conceivable that U.S. policy toward China will continue to shift while it considers a variety of elements such as whether or not China will develop into a global power similar to the former Soviet Union, what sort of moves Taiwan will make and if Japan will establish a stable course. The nature of the military aspects of the Cold War Japanese-U.S. security treaty is in the process of changing. However, if it were to be abolished, regional balance would be affected in a major way.

Japan can be grateful for the phrasing of Article 2 of the Japanese-U.S. security treaty which on economic aspects reads, "Promote economic cooperation between the two nations." However, it is doubtful as to whether the Clinton administration, which continues with its posture of adopting revisionist views on an unqualified basis and Japan bashing, places importance on the promotion of economic cooperation. Concurrently, Japan cannot escape responsibility for having forced the Clinton administration into such a rigid posture. In essence, Article 2 of the Japanese-U.S. security treaty exists in name only.

Politically, there is the accepted opinion that maintenance of the Japanese-U.S. security treaty has served as a stabilizing factor for the Asian region as well as for the world as a whole. It was Singapore's Lee Kuan Yew and the U.S.'s Kissinger who have advocated the "cork-in-the-bottle theory" which said that if the security treaty were abolished, there would be no telling what the Japanese would do, that they would probably opt for the path to becoming a major military power, thus making the security treaty an essential instrument. There is a deeply rooted, widespread distrust that the Japanese represent a race which is highly unpredictable.

Among Japanese who strongly embrace the Japanese-U.S. security treaty, there are those who are of the same sentiment as Lee Kuan Yew and Kissinger and those who react by saying if Japan is to be approached as inferiors based on the "cork-in-the-bottle theory," we should take advantage of that approach. The late Etsuro Shiina who was considered a Liberal Democratic Party (LDP) elder once spoke of the U.S. military as "Mister Watchdog," which was a severely cynical moniker used to refer to the U.S. Forces. In any event, international relations based on the "cork-in-the-bottle theory" are certainly reflective of a situation where the parties have an ax to grind.

We get the impression that the Japanese economy exists on shaky grounds, but when the Japanese-U.S. security treaty was revised in 1960, Japan's GNP represented only 3 percent of the worldwide figure, while 30 years later in 1990 it has reached 15 percent. It is only logical that a Japan—which benefited tremendously from its position as beneficiary of peace, advocated one-nation pacifism devoid of any physical or human sacrifice toward global peace—has faced clamorous criticism from its allies. On the other hand, the United States still exists as the world's largest economic giant, but a look at the facts shows that it no longer retains a semblance of its past.

The United States definitely stressed the importance of Japanese-U.S. relations in its East Asian security strategy and its defense white paper, but now that the international environment has changed significantly, many sections of the Japanese-U.S. security treaty require overhauling. Further, the national power of Japan and the United States has changed sharply. I question whether it is acceptable for Japan to take the self-serving attitude of exclusively and unilaterally hoping for the continuation of the security treaty, without any desire to respond to the new Japanese-U.S. alliance theory newly launched by the United States.

The Clinton administration, which was launched at the end of the Cold War, is "domestically oriented." That fact is probably clear when one views two years and four months of effort advocating economic recovery and the absence of any achievements in the area of diplomatic and defense policies. When one examines in detail the statements of influential Republican Party members, who won a majority in the upper and lower houses of Congress in last November's midterm election, such as Senate President Dole, Senate Foreign Affairs Committee Chairman Helms, and House Speaker Gingrich, he is able to discern an even stronger tendency toward "isolation" in the form of cuts in Official Development Assistance (ODA) funding, curtailment of United Nations cost sharing, and "America First" proposals. President Clinton has attacked the Republican Party for "dangerous isolationist tendencies," which in a sense is an accurate criticism. One wonders what sort of situation will be imposed if that Republican Party should gain control of the White House two years from now. If the Japanese-U.S. security treaty is unchangeable, we could hope for no better arrangement, but no one can assert that it is unchangeable.

Buchanan, a self-styled isolationist and commentator who positioned himself as a Republican presidential candidate during the 1992 elections, once asserted, "If I should become president, I would abolish the Japanese-U.S. security treaty immediately." Reportedly, Buchanan will join the race again in next year's election. I sometimes wish that he would become president and handle the security treaty with low priority. Although Japan was critical of the United States, it was totally dependent on the latter for the most crucial element of defense and it was the security treaty which provided Japan with its opportunities for economic prosperity, albeit not thought of as a miracle by the Japanese, and which obliterated any sense of independence and independent actions on their part. There is no way to salvage an anomalous situation wherein Japan has failed to make any attempt to send a strong message that it would "like to be responsive" after having received a message placing importance on Japanese-U.S. relations. In any case, a true alliance is formed when both parties recognize the necessity of an alliance after undertaking a calm analysis. I think we have come to a time when the topic should be discussed between Japan and the United States.

Technology of Treaty Viewed

952A0563E Tokyo VOICE in Japanese 1 Jun 95 pp 100-103

[Article by Taizo Yukushiji, professor, Keio University: "The Civilian Technology Shock"]

[FBIS Translated Text] This article will review the Japanese-U.S. security treaty issue from the aspect of technical relationships. Thus, I would like to reexamine an epoch-making incident which took place in that setting, and discuss the matter in terms of the situation facing us today.

On 17 July 1945, Truman was informed, while attending the conference at which the Potsdam Declaration was drafted, of the success of the experimental tests on the atomic bomb and issued a decision to drop the bomb on Japan. And, it was on 6 August that the atomic bomb was dropped on Hiroshima.

In 1949, the former Soviet Union succeeded with its tests on the atomic bomb. It then succeeded in its launching of the Sputnik satellite in 1957.

The United States was alarmed by this chain of events. The reason was that the launching of the Sputnik signalled that the former Soviet Union had the missile technology to transport the atomic bomb. It was then that President Kennedy initiated the Apollo project.

In other words, it can be said that the postwar U.S. political stance and the Cold War structure were based on the impact of the former Soviet Union's atomic bomb and Sputnik.

Now we address the postwar U.S. occupation policy whose major features included the complete destruction of the Japanese military and the elimination of weapons specialists. The policy was to be expected for there was the fear that if Japan should once again become a military power as was the case in the past, it would have a significant impact on postwar U.S. supremacy. In other words, Japan's military technology at that time was of a caliber to be reckoned with.

Of significance at this point is that this U.S. policy caused many military technicians and superior military technology firms to be absorbed by the private sector. Subsequently, those elements had a significant effect on the development of postwar private-sector technology.

As a result, the shift of Japanese military technicians brought the Japan-U.S. private-sector technology bases to comparable levels at that particular point. When we look at Japan today, we can truly say that the U.S. occupation policy worked wonders for Japan. The United States, in those days, had no reason to anticipate the economic growth of Japan as witnessed today.

Another occupation policy covered the dismantling of the zaibatsu, but this also can be said to have been an important development in terms of technology. In other words, the dismantling of the zaibatsu, which had control over superior human resources, led to the occupational mobility of such resources. Manufacturers which were formerly ranked on a comparatively lower level under the zaibatsu ended up with relatively higher capabilities.

Under such circumstances the Korean war erupted in 1950. The Korean war will ultimately prove to be of major significance to both Japan and the United States. The Korean war served as an important lever for Japan in creating significant economic growth in the postwar period, while it forced the United States to undertake a major reversal of its postwar policy toward Japan. And, it was in September 1951 when the Japanese-U.S. security treaty was signed.

In the 1950's, the Ministry of International Trade and Industry (MITI) and the Ministry of Finance (MOF) played a central role under the provisions of the Mechanical Industry Promotion Law to control, with exceptional skill, funding from the Development Bank of Japan and introduction of technology from Europe and the United States to develop Japanese technology and industry.

And, in the 1960's, the Ministry of Education doubled the quota for science and engineering students to promote the growth of industry under the Income Doubling Plan. The action led to the so-called science and engineering boom. Such moves inspired Japan to undergo rapid industrial recovery. Subsequently, the nation accomplished straight-line expansion under high-growth policies.

In entering the 1970's, we witnessed a major turning point in Japanese-U.S. relations from the standpoint of technology.

Initially, the first problem encountered dealt with color television. Japanese television sets improved sharply in quality and entered U.S. markets, placing U.S. makers in a predicament and causing them to file a variety of dumping charges. Japanese makers responded by investing in production points in the United States, accelerating the pace of market penetration by Japanese television sets.

The next issue to surface was that concerning automobiles. The basis for the automotive issue was in reality the oil shock instigated by the 1973 Middle East war. On the other hand, the United States was faced with the expectation that Congress would pass the Muskie legislation which called for strict emission controls. In Japan, the auto manufacturers succeeded in developing a new engine which would reduce emission in anticipation of that law.

That development was followed by energy consumption reductions, leading to increased sales of Japanese cars, with low fuel consumption as gasoline prices rose sharply, and a torrent of Japanese cars into U.S. markets.

The foregoing two developments have an important, symbolic bearing on any analysis of Japanese-U.S. relations. In essence, the fact is that Japanese private-sector technology was closing in on the United States.

Next, in the mid-1970's, Japanese electronic products had arrived in U.S. markets, becoming the target of dumping charges and candidates for local production. It was from that point on that the Japanese trade surplus continued to increase. Electronic products and automobiles represent 90 percent of the Japanese trade surplus.

In the mid-1970's, a peculiar relationship was being created in U.S.-Japanese relations at least in the area of technology and industry. Naohiro Amaya of MITI who passed away last year, served as a chief negotiator at that time on Japanese-U.S. automotive talks, placed profound importance on Japanese-U.S. relations, and executed the voluntary restraint program.

As we entered the 1980's, problems which were beginning to germinate in the 1970's on Japanese-U.S. issues surfaced explosively.

We can probably say that the Plaza Accord of 1985 was of historical magnitude. Intensification of the Cold War led President Reagan to accelerate military spending on the part of the United States, thus causing an expansion of the fiscal deficit on top of the trade deficit.

In essence, Reagan's thinking was that the United States was offering inordinate military power as a type of public resource for the purpose of protecting the security of the Western free world. In reality, the former Soviet Union collapsed.

However, the dollar refused to decline in value despite the existence of the twin deficits. It was at that point that the United States would take the initiative in providing for a strong yen and weak dollar under the Plaza Accord. Japan probably embraces some complex feelings concerning the Plaza Accord, but more importantly, the accord reflects some extraordinary thinking on the part of the superpower known as the United States.

In reality, just before and after the accord, Japan-bashing was initiated. Subsequently, the United States established the Competitiveness Enhancement Committee and launched a technical offensive against Japan. As an example, the establishment of the U.S. Semiconductor Manufacturing Technology Union (SEMATEC) was one of the actions taken. The move was based on irritation on the part of the United States that although it had furnished Japan with semiconductor technology, Japan corralled the technology among keiretsu makers and refused to share it with outsiders.

Subsequently, arguments surfaced questioning Japan's trustworthiness as a partner under the Japanese-U.S. security treaty considering its high proclivity for monopolizing technology. U.S. Navy Admiral Robert Inman refers to this issue in a committee report.

In other words, during the Cold War, the United States extended aid to Japan, supplied it with technology, and opened its markets to Japanese products. And, today, Japanese economic power exceeds that of the United States. Japan today is plagued by arrogance, askng, "What's wrong with producing superior goods and selling them?" The United States is upset over that attitude.

Now that the theoretical enemy known as the Soviet Union has collapsed and we now exist in a post-Cold War period, the significance of the Japanese-U.S. security treaty has been altered. As we look at a very domestically oriented Washington, we cannot help but feel a kind of crisis in the area of Japanese-U.S. relations.

In today's period of the strong yen and the hollowing of industry, Japanese products are becoming difficult to sell, but Japan still retains key technology in the way of capital goods such as production equipment and sophisticated components. Put another way, Japan still maintains an abundance of technology and it could play a reciprocal role in the area of private-sector technology in relation to the military technology of the United States. I believe Japan should pursue this route.

Emphasis on Asia Termed 'Warning Signal'

952A0563F Tokyo VOICE in Japanese 1 Jun 95 pp 103-105

[Article by Tomoyuki Kojima, professor, Keio University: "Abandoning the United States and Turning Toward Asia Is a Warning Signal"]

[FBIS Translated Text] In Japan, certain sources have begun to express the bold opinion that Japan should follow a path in the future of "parting from the United States and joining with Asian nations." The opinion that the "Japanese-U.S. peace treaty is defunct," also relates to that opinion.

The opinion is based, to begin with, on a feeling of "disliking the United States." Such views are initially encouraged by reaction to the worsening Japan-U.S. economic friction and the outburst of what are to be believed to be unreasonable demands placed upon Japan by the United States. Secondly, there is the talk about reviewing the Japanese-U.S. alliance. Such talk was instigated by the elimination of the Soviet threat after the end of the Cold War and the accompanying relative decline in the U.S. military presence. On the other hand, there is the tendency toward the concept of creating peace centered around the United Nations and debate on the strengthening of independent Japanese defense capabilities including nuclear weapons. Such talk is being inspired by spectacular economic growth in the Asian region and assertions of independence on the part of Asian sources.

Asia is definitely enjoying confidence backed by spectacular economic growth and displays that confidence. Economic growth in the Asia-Pacific region last year recorded an average of 8.2 percent and is expected to record 7.6 percent this year and 7.4 percent in 1996. Until recently, there was the view that Asia was undergoing "flock-type growth" like a massive flock of birds flying the blue skies wherein the lead birds represented other Asian nations as suppliers and Japan as the consumer, leading all other nations in regional economic growth. However, in this region, Japan is the only country suffering from near negative growth and it is said that some energetic Asian economies are disassociating themselves from Japan.

The foremost reason given for the disassociation is Japan's unchanging attitude of fawning over the United States. The claim is made that Japan dedicates itself to being obsequious to the United States and does not give priority to forming an alliance with Asia. Even with respect to the East Asian Economic Cooperation (EAEC) concept proposed by Malaysia's Prime Minister Mahathir, Japan has expressed reservations about the exclusion of the United States and has hesitated to join the group. Prime Minister Mahathir has called upon Japan to participate, but has stiffened his posture of proceeding with EAEC even in the absence of Japan.

Because of such circumstances, arguments have begun to surface that Japan should strengthen alliances with Asia and take the initiative in Asia. Already, trade with Asia exceeds that with the United States and even in terms of trade surpluses that with Asia ($61.653 billion) far exceed that with the United States ($54.962 billion). However, it would be premature to say that Japan's priorities have shifted from the United States to Asia purely on the basis of these figures.

The possibility that Japan's future will evolve on the basis of "disassociation with the United States and association with Asia" without a Japanese-U.S. security treaty is hardly conceivable. Maintenance of the Japanese-U.S. alliance is still indispensable for Japan to secure future peace and prosperity and for Japan to establish a cooperative relationship with Asia. The United States has worked with Japan in sustaining Asian economic growth.

Further, the U.S. military presence has played a leading role in maintaining Asian security, and a force which can substitute for the United States in the post-Cold-War period cannot be found. This is a case where the United States must maintain its Asian presence by strengthening its cooperative relations with the Asian region of the past from an economic and political perspective. Disassociation with the United States can only result in an adverse effect. In fact, the new security situation in Asia following the Cold War has assigned a new value to the Japandse-U.S. alliance as well as the Japanese-U.S. security treaty.

Even the United States has clearly stated its posture of commitment to Asia and the absence of any intention to withdraw in stating, "The stability and prosperity of the Asian-Pacific region is a matter which is an issue of critical national significance involving the security of all Americans," and "The United States must continue to involve itself with the region economically, diplomatically, and militarily."

"Tension in the Asian region has the underlying potential to evolve into a dispute which could bring tragic consequences on a global basis, making it necessary to maintain a huge military force on the part of the United States in an unstable Asia," "In the Asian region, we cannot disregard the presence of ancient hostile sentiments. Almost all Asian nations harbor memories of suspicions and distrust originating in historical disputes. If the United States should fail to maintain a visible, leading, stabilizing force in the Asia-Pacific region, a third-sector nation will probably play that role. Such an arrangement would not necessarily take the form which would be compatible with the basic interests of the United States or our friends and allies."

The U.S. Defense Department made the preceding comments in the "East Asian Strategy Report" which it published at the end of February, and declared it would continue to maintain a military presence in Asia and not alter the 100,000 troop strength. Even with respect to Japanese-U.S. relations, the report stressed, "There is no other bilateral relationship which equals this in importance," and "The Japanese-U.S. security treaty is key to the U.S. security policy in Asia."

One wonders which country the United States visualizes as a "third-sector nation" which can bring about "tension" having the "underlying potential of evolving into a dispute," of inviting "suspicions and distrust," and of substituting for the United States in playing "a central and visible role as a stabilizing force." Needless to say, North Korea is one nation that can be visualized as a source of "tension." Being a source of suspicion of nuclear development and potential source of crisis based on structural dismantling, North Korea is an "unpredictable nation" and remains a "potential source of danger" for Asia. There is no way in which we can cope with this situation without the participation of the United States.

However, China could impose an even more important impact on regional peace and stability than North Korea. The Defense Department report does not specify the "third-sector nation" with ambition to replace the United States, but it is obvious that China is potentially one of those nations.

Any influence which could be potentially exercised by China could possibly fall under two extremes. One extreme would be that in which a destabilizing domestic situation develops, including the potential for turmoil arising from failure of the bubble economy in the absence of charismatic leadership on the part of Deng Xiaoping. Another extreme would be the influence imparted by a superpower resulting from success in economic growth. Japan must prepare itself for the former contingency. However, it will not be able to adequately cope with any situation without the participation of the United States and solely in close coordination with South East Asia.

Two conceivable situations could arise under the second extreme. One possible situation is that China will realize a premise for economic growth calling for peace and regional cooperation with the Asian region and that it will become a superpower which contributes to the stability and growth of the region. Another possible situation is that China as an economic superpower will seek increased military capabilities commensurate with its economic prowess and aim to become a superpower with regional military supremacy.

Conversion to an economic giant tends to be accompanied by acquisition of increased military capabilities. Especially in the case of China, the economic power backdrop could be accompanied by a union of the vestiges of historical, traditional Chinese perceptions with communist ideologies at which time there will be more than a limited potential for creating a new military giant. Even in the past we cannot deny the tendency wherein China has expanded its military capacity, including naval capabilities on the open seas. China's defense plans, strategy, and military policies are unclear and Southeast Asian nations embrace fears over China's intentions and have begun to speak of a Chinese threat. Fear is deepening among Southeast Asian nations, and Vietnam which asserts territorial rights over the Nansha [Spratly] Islands because of the actions being taken by the Chinese Navy around those islands.

Furthermore, those fears should not be restricted to Southeast Asia. When "China's seas" are extended from the South China Sea, which includes the Nansha Islands, to the East China Sea, including the Senkaku Islands, over which Japan asserts territorial rights in the Taiwan Straits, Japan will be faced by the Chinese threat. Both Japan and other Asian nations do not have the capability to deal with such a threat without the help of the United States.

Asia does not exist under circumstances where it can assert that the "Japanese-U.S. security treaty is defunct." Japan should welcome the fact that the United States in considering the Asian security situation clearly committed itself to Asia from a security perspective as well as in terms of economic interests. If Japan intends to ally itself to and take initiatives in Asia, it must shun any disassociation with the United States and pursue the central theme of serving as a bridge between the United States and Asia. It would appear that Japan, which has experienced friendship, coexistence, and animosities over a century, would be the only one qualified to play such a role.

Tokyo, EU Start Negotiations on Liquor Tax

OW2007084695 Tokyo KYODO in English
0829 GMT 20 Jul 95

[FBIS Transcribed Text] Geneva, July 20 KYODO — Japan and the European Union (EU) started negotiations Thursday [20 July] on a long-standing liquor tax dispute at the EU delegation office in Geneva under rules of the World Trade Organization (WTO), diplomatic sources said.

It is the first round of talks on a complaint filed with the world trade watchdog by the EU, following the footsteps of the United States and Canada, that Japan's tax imbalance between whiskey and its domestic "shochu" distilled spirit is unfair, the sources said.

The U.S. and Canada are taking part in the bilateral negotiations as third parties concerned.

After the talks, Japan and the U.S. are scheduled to hold a meeting on the issue at the Japanese delegation office here, they said.

In 1987, the former General Agreement on Tariffs and Trade (GATT) advised Japan to correct its liquor tax imbalance in response to a suit by the former European Community (EC).

Japan has responded by abolishing an ad valorem tax and a taxation system by grade for whiskey, which narrowed the imbalance in tax rates for the two types of liquor to about four times from the more than 10 times.

Yet, the EU has remained unsatisfied, they said.

Japan will seek understanding from the EU, the U.S. and Canada by stressing its correcting efforts thus far and explaining the difference in domestic consumption between whiskey and shochu, they said.

However, the EU will continue its pursuit of an impartial tax rate for whiskey, they said.

Should the bilateral talks break down, as is seen likely, the EU, the U.S. and Canada can ask the WTO to set up a special panel for a multilateral judgment within 60 days after the dispute is brought to the WTO, according to WTO rules, they said.

Igarashi Interviewed on Banning Nuclear Tests

OW1907144095 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese
0430 GMT 19 Jul 95

[News conference by Chief Cabinet Secretary Kozo Igarashi with unidentified reporters at the prime minister's official residence at 0212-1225 GMT on 19 July]

[FBIS Translated Excerpt] [passage omitted] [Reporter] Does Japan plan to take some action at the UN regarding France's nuclear tests?

[Igarashi] As you know, the UN has been saying that it would sign a treaty next year completely banning nuclear tests; and the international community, when the

Nuclear Nonproliferation Treaty [NPT] was discussed at the UN, confirmed that each nuclear state had an obligation to do that. With this background, I think it will be very meaningful to propose that the UN, on this occasion, adopt a resolution banning nuclear tests.

Probably, other countries, too, are thinking about banning nuclear tests. However, I think that Japan, after all, will make this proposal, as it is the only nation that has been attacked with atomic weapons. Foreign Minister Kono talked about this point at the party leaders' meeting yesterday. The prime minister and Finance Minister Takemura also agreed that Japan has to do it, by all means.

[Reporter] Foreign Minister Kono was saying yesterday that he would tell the prime minister's office that the government should take a clear stand in dealing with France's movement to resume nuclear tests. Is the government thinking about taking new measures apart from the Diet resolution?

[Igarashi] Yes, what you said is right. I will talk about it at a news conference this afternoon.

[Reporter] Do you think Japan will make the proposal independently? Or is it going to be a joint proposal?

[Igarashi] As I said earlier, many countries are faced with this issue. How are we going to make the proposal? We will decide, like other countries that make such proposals at the UN. [passage omitted]

[Reporter] Regarding a UN resolution, you said that the government would submit a proposal. Do you think the proposal submitted will target France or all the nuclear states?

[Igarashi] I think this, too, will be determined while coordinating with other countries that make proposals. As to whether the proposal will target nuclear states in general or France in particular and what will happen to China in that case, I would like to make those decisions while observing the overall situation.

[Reporter] A UN resolution does not have binding power. There is a movement among UN member nations to sign a comprehensive test ban treaty next year. Can you comment on this point and explain the government's view on this?

[Igarashi] This boils down to the issue of what will happen to nuclear tests that may be held prior to signing a treaty on complete ban of nuclear tests. It may not be appropriate to call them rush tests. But as regards nuclear tests prior to signing the treaty, we think the nuclear states have an obligation to actively refrain from holding such nuclear tests, because they agreed to extend the term of the NPT indefinitely. In this regard, we are dissatisfied with the nuclear states. That is why we are trying to seek adoption of a UN resolution.

Igarashi on French Nuclear Tests, Yeltsin

OW1907144995 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese 0915 GMT 19 Jul 95

[News conference by Chief Cabinet Secretary Kozo Igarashi with unidentified reporters at the prime minister's official residence at 0704-0718 GMT on 19 July]

[FBIS Translated Text] [Igarashi] Let me make a couple of announcements first. Tomorrow at 1000 hours, we plan to invite French Ambassador to Japan Jean-Bernard Ouvrieu to the prime minister's official residence and convey our request, once again, to cancel France's plan to resume nuclear tests. The request will be read by the chief cabinet secretary, conveying the prime minister's thoughts.

One other thing: Prime Minister [Tomiichi] Murayama sent a telegram of sympathy to [Russian] President [Boris] Yeltsin. I will read the telegram:

To: President Yeltsin

Dear Mr. President,

We are very concerned about your being hospitalized, and we would like to express our deepest sympathy. We wish you a swift recovery and hope that we can cooperate in furthering Japanese-Russian relations.

[Signed] Tomiichi Murayama, prime minister of Japan

This is the text of the telegram. Do you have any questions?

[Reporter] Regarding lodging a protest against French nuclear tests, is this all the government plans to do for the time being, or will there be second or third attempts at lodging protests?

[Igarashi] I believe that the prime minister announced that in a news conference in Hiroshima today, but I feel you should believe that it is quite unusual to summon somebody to the prime minister's official residence to make a request.

In addition to that as a start, another point is — as I have already told you and as the prime minister announced in his news conference in Hiroshima — that various parties will hold deliberations to adopt a Diet resolution on banning nuclear tests. Still another point is that at a UN General Assembly session in September, we will take the initiative in proposing the adoption of a UN resolution on banning nuclear tests. Through such action, we plan to clarify our positive stance on what we have to do now.

[Reporter] In connection with the nuclear issue, Finance Minister Masayoshi Takemura has proposed that Japan take steps against France, including boycotting French products. In reaction, the French Agriculture Minister Philippe Vasseur seems to have warned that Japan should not do it. He has apparently said: "If I were Japanese, I would not do it." Do you feel that France's plan to resume nuclear tests and Japan's opposition to it may have adverse effects on bilateral relations?

[Igarashi] First, regarding the proposal to boycott French products, I believe Mr. Takemura probably made the remarks as the head of Sakigake [Harbinger Party] as well as from the standpoint of the party. Basically, friendly relations between Japan and France are very important. However, because of this, I think it is all the more proper for us, as Japanese people, who cannot help but be gravely concerned about such a serious matter as nuclear tests, to frankly express our thoughts and request a cancellation of the tests. I firmly believe that such a frank expression of thoughts will not have adverse effects on the foundation, the basis, of Japanese-French friendship. [passage omitted]

[Reporter] In connection with Minister Takemura's remarks, a report from abroad states that French companies' stock prices have declined because of the proposed boycott. What do you think of such effects?

[Igarashi] As I have already said, I feel it is natural to hear such remarks by leaders of political parties and in political activities by private citizens, because very serious efforts are being made through public activities and by political parties in an attempt to stop the planned nuclear tests. I think you can judge from this how serious Japanese public feeling is about problems of this sort. However, I believe that Mr. Takemura probably made his remarks not on behalf of the government, but speaking merely as the head of Sakigake.

Response to DPRK Request for Rice Aid Viewed

OW1907152195 Tokyo SHUKAN DAIYAMONDO in Japanese 24 Jun 95 pp 110-112

[Article by Toichi Suzuki, political commentator: "'We Want All 840,000 Tons of Surplus Rice': Face-Saving for Both North and South Korea Obstructs Assisting North Korea in Rice Shortage"]

[FBIS Translated Text]**Nonaka Is DPRK's Most Trusted Person**

Behind the superficial movement symbolized by the Diet resolution on the 50th anniversary of the end of World War II and the rejection of the no-confidence vote on the Murayama cabinet, Japan, the Democratic Peoples Republic of Korea [DPRK], and the Republic of Korea [ROK] are engaged in a breathtaking drama performance revolving around rice assistance to the DPRK.

The rice problem was hidden behind the ruling coalition party mission to North Korea headed by Michio Watanabe in the end of March. The coalition party mission had been conceived in December 1994.

Koichi Kato, chairman of the LDP's Policy Research Council, called on Home Affairs Minister Hiromu Nonaka and said, "I heard that you are the DPRK's most trusted person. I want you to teach me everything you know about the North."

At that particular time, Kato was thinking, "The Social Democratic Party of Japan [SDPJ] made efforts to find ways to have Japan-DPRK negotiations resume, to no avail. Why did it fail? In addition, the situation between the United States and the DPRK has become strained. I wish I can be instrumental to the resumption of Japan-DPRK talks."

Around that time, Kato had been approached through several channels "for Japan to provide rice to the DPRK, which is in short supply due to poor harvests." Kato told Nonaka, "It is the Foreign Ministry's guess that the U.S.-DPRK negotiations will break down in April or May. Government-level talks between Japan and the DPRK remain broken down. I would like to have them resumed before the rupture of the U.S.-DPRK talks."

It seemed that the Foreign Ministry had requested the help of Kato who was formerly with the ministry. Kato thought of using the rice assistance as a leverage to normalization of the Japan-DPRK relations.

Nonaka explained his connections with the DPRK. "In 1990, I accompanied Shin Kanemaru's mission to the DPRK. I had a howling exchange of verbal disputes with Secretary Kim Yong-sun. That led to a good relationship with Secretary Kim, like an old saying goes 'After rain comes fair weather.'"

Nonaka added, "After Kanemaru's DPRK visit, an inquiry came from Secretary Kim, who wanted to confirm whether Kanemaru was really interested in participating in projects involving the Japanese import of gravel and in the renovation of hotels, because such proposals had been received in the name of Kanemaru. Kanemaru was infuriated and told me, 'You go there and tell him that I have absolutely nothing to do with these projects and tell him to ignore them.' So I said to Kanemaru, 'Let me take your second son Shingo with me, then Kim will trust that my message is your word.' Since then, the trust of the DPRK, as well as Secretary Kim, in me was strengthened."

There is a different comment on this. "Kanemaru attempted to make all dealings with the DPRK go through his office, and Nonaka was a proxy. Nonaka survived after Kanemaru lost his political footing."

Meanwhile, Kato on 28 January visited the ROK to inform them beforehand that Japan would resume talks with the DPRK. On 9 February, Kosuke Hori, Kato's confidant and acting chairman of the LDP's Policy Research Council, met in Singapore with Kim Yang-gon, deputy chief of the WPK's International Bureau. Kim Yang-gon is Secretary Kim's confidant.

Why in Singapore? The Japanese Foreign Ministry, for convenience, readily "proposes Beijing as the place of negotiations." But the DPRK inwardly thinks differently. A source related to Japan-DPRK relations reveals an interesting story, "The DPRK does not like to hold negotiations in Beijing because everything will become known to the PRC Government. So Secretary Kim Yong-sun and others proposed Singapore. In other words, anywhere except Beijing would be all right for the DPRK. This, the Japanese Foreign Ministry does not know."

At this Singapore meeting, the Japanese side made the following proposal. "One million tons of rice will be made available through the Japanese Red Cross Society. It is meant for the hoped-for normalization of the Japan-DPRK relations and a return for the gift money in the amount of $200,000 on the occasion of the Great Hanshin Earthquake."

Present at this meeting was a Japanese Foreign Ministry official with the Asian Affairs Bureau. It was also reported that President Takeshi Yoshida of the Shin-Nippon Sangyo (the then Nitcho Shosha) was at the meeting, who later became a controversial figure by accompanying the ruling coalition party mission to the DPRK posing as a secretary to Koichi Kato.

Paying Back in Kind 10 Years Later

Despite this much of an overture, the topic of rice was not mentioned during the visit of the tripartite-party mission to the DPRK that started on 28 March. Michio Watanabe, head of the mission, said, "We had big trouble in working out the joint declaration. Rice was totally out of place then. I attempted to nullify Kanemaru's three party [the LDP, the SDPJ, and the WPK] declaration because it mentioned post-war compensation and an official apology. In other words, the Japanese side insisted that it would recognize the three-party declaration as a historical fact, but the DPRK side insisted that it was a great joint declaration. We were still engaged in hot debate over the declaration when the return-trip plane arrived in Pyongyang to take us home. The word 'anew' in the passage that read 'The 9th intragovernment negotiation will be held anew' was opposed by the other side on the ground that 'anew' insinuates no extension of Kanemaru's declaration. So it was rewritten as 'over again' that they interpreted as 'again.'" And he added, "I was worrying about what to say if the rice problem came up, because I could not make a deceiving remark as the mission's head. It was a relief that the matter did not come up because of the time limit."

Although it was not openly discussed during the visit of the three-party mission to the DPRK, the group led by Koichi Kato confidentially proposed to North Korea the following two conditions: "First, North Korea must make public to the world, especially to Japan, that it is in short supply of rice, if Japan were to provide it. Secondly, North Korea must make it clear that it will accept the ROK's offer, because the ROK declared that it will provide North Korea with rice."

Late in May, a five-man DPRK mission led by Yi Song-rok, chairman of the International Trade Promotion Committee, arrived in Japan. It is interesting that Yi's mission was said to have "come to arrange preparations for the Japan-DPRK culture festival to be held this autumn in Kyoto." This culture festival is going to be held with Azuma Okuda, former president of Kyoto University, as chairman, with such Nonaka's colleagues in the center as Kosei (Kosho or Yukimasa) Mizutani, former dean of Bukkyo [Buddhist] University, who is also chairman of the United Supporters' Association for Home Affairs Minister Hiromu Nonaka. This symbolizes how important a person Nonaka is for the DPRK. Under the pretext of preparing for the festival, Chairman Yi came to Japan actually for discussions on the rice aid problem with the DPRK reply to Kato's two conditions.

At a meeting of the All Nippon Airways [ANA] Hotel in Akasaka, Tokyo, that started at 0830 on 26 May, Michio Watanabe, Wataru Kubo, and Yukio Hatoyama, representatives of the three coalition parties, together with Koichi Kato and Kosuke Hori met with Chairman Yi Song-rok and members of his mission. Yi stated expressly about the first condition, "Bad weather has inflicted the DPRK with big damage to agricultural crops and grains. We would like to borrow rice from Japan in a certain quantity for a certain period of time."

Michio Watanabe asked, "What do you mean by borrow?" The answer was, "We will pay back in kind in 10 years." Many people, after hearing this, thought the DPRK would pay back in rice 10 years later, but informed sources have this different explanation. "Paying back in kind means barter trading. In other words, they would pay back in North Korean products such as zinc or gravel."

The dialogue continued between Watanabe and Yi as follows:

"I see. But is it an official request?"

"Before coming here, I met with Secretary Kim Yong-sun and Prime Minister Kang Song-san."

"Oh, then it is an official one. How much rice do you want?"

"How much surplus rice does Japan have?"

At this point, Hori who is closely related to the Ministry of Agriculture, Forestry, and Fisheries explained, "Japan has 840,000 tons of imported rice held as reserves."

"Then we want to borrow it all."

At this, Watanabe was surprised and said, "You want that much? It is impossible to lend you all of it."

North Korea is presumed to consume about 6 million tons of rice annually and the requested quantity is 15 percent of that amount. That meant irrevocably that a famine is being experienced in North Korea. Yi immediately said, "Then 80 percent of it will do. And we want it before the start of the rainy season."

Thus it became clear that North Korea is suffering from a serious harvest and that it is asking for Japanese rice aid to alleviate that situation. But a difficult problem is waiting to be solved, and that is the ROK, which closely following the progress of the Japan-DPRK negotiations with stern eyes.

ROK Insists That the DPRK Make a Government-to-Government Request

Over the conference table, Watanabe asked Yi about the ROK problem. "In March, the ROK proposed to provide the DPRK with food assistance, why did the DPRK refuse it? You should accept rice assistance from the ROK. Otherwise, Japan cannot extend its help."

Yi's reply was, "Our country accepted the ROK proposal. But it was the ROK that one-sidedly canceled the proposal." Watanabe said, "If that was the case, the ROK is to be blamed. I will talk to the ROK."

From these exchanges it is apparent that the DPRK wants to have the transaction at a private level, and make the transaction a commercial deal to the end. But the ROK's position is different. "If the DPRK wants rice, why does it not say so straightforwardly on a government-to-government level. Yi discarded his dignity to ask for the assistance in Japan, why not to the ROK?"

In view of the ROK's stance, the DPRK, a proud race, in view of saving face, cannot make a straightforward request for assistance. About five years ago, the ROK provided the DPRK, which had had a bad harvest, with rice aid from a humanitarian standpoint. At that time, North Korea made this request. "Please send rice contained in bags without the label of the ROK." With the land divided into north and south and confronting each other with such a tense situation that a war can break out any time, relations between the two Koreas seem to have no room for a third party to intervene.

After the conference at the ANA Hotel, the ROK ambassador to Japan called on Michio Watanabe and said, "The ROK's proposal of rice supply was refused by the North. The ROK will lose face if Japan were to provide the North with rice."

To this, Watanabe retorted, "The North assured me that it will accept the rice assistance, provided that the ROK attaches no preconditions. I think it is better for you to take action without caring too much about face-saving."

Many observers point out the profound connection between the rice problem and the first anniversary of the death of President Kim Il-song on 8 July and the ensuing Secretary Kim Chong-il's assuming the post of president.

Those concerned with Japan-DPRK relations have this private comment, "The son's taking over his father's top title is a big celebration for the North, that may occur only once in several decades. The new president will lose face if the people are not fed with rice on the occasion of such a celebration. That is why the North needs rice."

Diplomatic commentator Hisahiko Okazaki had this analysis of an expert. "In the ROK, it is called "chun-gung," the between-season of rice and barley harvests when grains are scarce. In old days, people were said to live on the bark of trees. Such a situation prevailed in the North last year and the old Manchuria seemed to have experienced a bad harvest. It is possible that the North needs rice for gifts to the people on the occasion of new president Kim Chong-il's ascension to power. In North Korea, an old saying goes, "Have floods, no bad harvests," meaning that a dry weather will end up in bad harvest. Contrarily, it is interesting to note that "There will be no bad harvest when the sunny days continue" in Japan's northeastern area irrigated with a plentiful water supply."

Will the ROK go ahead with its rice assistance to the North? A Jiji Press report had this report from

Seoul. "According to CHUNGANG ILBO, a South Korean daily newspaper, high-ranking officials of the ROK and North Korea had a secret meeting in Beijing to discuss the rice assistance problem. North Korea proposed that South Korean private enterprises loan rice to North Korea. To this, the ROK side insisted that open negotiations between the authorities are required beforehand to assure the nontransfer of the supplied rice for military use. Thus the talks were deadlocked."

On 13 June Koichi Kato said, "South and North Korea have not come to a complete agreement although the South says it will give rice and the North says it will accept the rice. They have agreed on 80 percent of all problems, with problems of face-saving and basic stance yet to be solved. But I am optimistic." He added, "All kinds of insults and abuses are heaped upon you, such as you are hunting for concessions or you are dogmatic, when you are engaged in North Korean affairs. I feel the difficulty of the problem all the more keenly these days."

EPA Paper Studies Asian Economic Trends

OW2007090095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 18 Jul 95 Morning Edition p 5

[FBIS Translated Text] On 17 July, the Economic Planning Agency [EPA] released the "Asian Economy 1995" on economic trends of Asia (an Asian version of its economic white paper) for the first time. The white paper argues against the view that the East Asian region's high growth will not continue for a long time because of the delayed improvement in the production efficiency of commerce and industry by insisting that the region will be able to sustain the high growth by continuing the introduction of highly productive technologies from industrialized nations.

In its first chapter, the white paper cites factors contributing to the Asian region's economic development and projects its future development. In the second chapter, the white paper analyzes the country-by-country economic situation and then points out that the Asian region has registered high growth for a long time compared to other developing countries because it has effectively used the market mechanism, curbed fiscal deficits, and adopted proper economic policies. In the third chapter, the white paper refuted the argument by Kurgman [name as published], a professor at Stanford University, that the East Asia economy has now reached its limits.

In his 1994 article entitled "The Phantom of the Asian Economy," Professor Kurgman pointed out that East Asia's high growth has only increased capital and labor force and made little improvement in production efficiency. He equated East Asia's economy with that of the former Soviet Union in the 1950's. He predicted that this kind of growth would stall when its quantitative expansion reaches its limits as the former Soviet Union's economy did and East Asia's high growth will stop.

The white paper maintains that unlike the former Soviet Union, where the government was unable to efficiently use capital and labor by distributing them through a planned economy, East Asia will be able to continue expanding its economy by efficiently distributing resources on through the market mechanism. The white paper views that, unlike the former Soviet Union, East Asia has been improving its productivity by introducing high technology and capital from such industrialized nations as Japan, the United States, and European nations.

The EPA compiled the Asian economic white paper in response to growing interest shown by the Japanese industrial community in the Asian economy after Japan had consolidated its economic relations with the Asian and other regions. The EPA plans to publish the Asian economic white paper every year. The white paper covers 15 nations and regions including China, newly industrializing economies (NIE's), ASEAN, India, and Australia.

Trade Structure Changes Seen in Surplus Drop

OW2007042295 Tokyo MAINICHI SHIMBUN in Japanese 18 Jul 95 Morning Edition p 9

[FBIS Translated Text] Japan's trade surplus for the first half of 1995 decreased two consecutive periods compared with the same time-frame last year. This indicates that Japan's predisposed tendency to generate a trade surplus, which has been subject to foreign criticism, is facing a turning point. While the yen's appreciation underlies such a change, the level of the trade surplus itself is still high. Regarding this, the government is now required to address specific tasks to drastically reduce the surplus level. Among these measures are ways to promote deregulation that can pass to consumers the windfall of exchange profits.

A drastic change in Japan's trade structure is symbolized by the fact that the ratio of import of finished goods is increasing. The ratio of goods import registered at its highest ever level: 54.5 percent for the first half of 1994. It increased to 55.8 percent for the last half of 1994. It continued to increase and stood at 57.7 percent for the first half of 1995.

Distribution industries are giving impetus to their move toward developing products and foods in foreign nations and importing and selling them for Japanese consumers. Meanwhile, auto manufacturers are reimporting automobiles produced in the United States and other nations.

This is a business strategy to capitalize on the increasing value of the yen. It is generally viewed that the trend toward increased import will continue unless the current level of $1 to 80-90 yen level exchange rate wildly swings against the yen.

Report Shows Deregulation Demands Not Met

OW2007084595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Jul 95 Morning Edition p 3

[FBIS Translated Text] On 16 July, the Management and Coordination Agency issued the "Basic Report on the Result of Investigations Into Administration Through Regulations." The report shows the private sector's opinions about and requests on deregulation, and the responses of ministries and agencies to those opinions and requests. According to the report, the ministries and agencies answered, "it is hard to take action" on more than 40 percent of deregulation requests by the private sector. That a gap between the attitude of "public" and "private" sectors on deregulation still exists stood out.

The report is a compilation of the responses by the concerned ministries and agencies to the opinions, expressed at "deregulation promotion meetings" held in 19 locations nationwide in 1994, and to 406 requests sent directly to the Management and Coordination Agency by fax.

The responses of the ministries and agencies to the private sector demands are categorized as follows: the ministries and agencies will "adopt a proper measure in the future" for 23 items (6 percent), and "study the demands" for 55 items (14 percent); on the other hand, they state "it is hard to take action" on the demands in 179 items (44 percent).

Also, "measures have already been taken" for 79 items (20 percent), and "demands are based on the people's misunderstanding" in 63 items (16 percent).

The laws most frequently involved with these demands are: the Building Standards Act (16 items), the Road Transport Act (15 items), and the Road Act (14 items). As to the ministries and agencies, the Construction Ministry (68 items) was most frequently involved, and the International Trade and Industry Ministry (66 items) and the Health and Welfare Ministry (64 items) came next.

The report also shows the difference between the ministries and agencies' response in 1993 and now. There has been a change to a positive attitude in almost 20 percent (501 items) for the 2,613 demands presented in 1993. For example, in response to the opinion that "the standard floor areas for underground stores should be expanded," the Construction Ministry, which is the supervisory office, had answered in 1993: "It is difficult to ease the regulation in consideration of safety for pedestrians and the general public." However, this time, the ministry answered: "The concerned ministries and agencies will study it, including a review of the basic policy."

Editorial Comments on Deregulation White Paper

OW1907151795 Tokyo MAINICHI SHIMBUN in Japanese 19 Jul 95 Morning Edition p 5

[Editorial: "The Government Cannot Complete Deregulation With Self-Praise Alone"]

[FBIS Translated Text] On 18 July, the cabinet approved the first "Deregulation White Paper," which specifies how the government should grapple with the issue of relaxing regulations. Publication of the white paper was first called for in a final report compiled by the Third Administrative Reform Council (the Provisional Council on the Promotion of Administrative Reform) released in October 1993. The white paper is intended to make it easy for general consumers and enterprises that are "subject to regulations" to assess and monitor progress in the relaxation of regulations.

Upon receiving the final report, the government has promised to formulate and make public the white paper while working, since March this year, on a five-year plan for relaxing regulations .

The Management and Coordination Agency, which compiled the white paper, says the U.S. Embassy in Tokyo and other foreign organizations in Japan have asked when the white paper will be published. Mindful of the issue of opening up the Japanese market, other nations have probably paid attention to the contents of the white paper. Therefore, we propose that a summary of the white paper be translated into English for them.

Looking at the contents of the white paper, we can find signs that the Management and Coordination Agency took pains to include new data on changes in the number of certification cases by year, the component ratio of regulations by law and ordinance, and the positive effects of deregulation.

As for the positive effects of deregulation, the white paper notes, for example, that easing regulations has contributed to creating new businesses, revitalizing the economy, and narrowing price differentials between Japan and other nations. In addition, the paper explains which regulations have been and will be eased.

Another positive effect of deregulation, the white paper points out, is that "prices of cellular phones were down and the number of subscribers doubled in the past year since a new sales system for cellular and car phones was introduced last April." The white paper also notes: "A total of 40 small companies have begun brewing and selling beer after obtaining licenses since the minimum quantity requirement for brewing licenses was lowered last April. As a result, a variety of beers is now on the market for consumers. This deregulatory measure is expected to revitalize local communities."

It is hard to explain the positive effects of deregulation in terms of quantity; for this reason, the white paper seems to try to explain them in a way that people can easily understand, by citing some cases. It is good to note that the white paper cites proper cases to help consumers understand the need for and significance of deregulation.

It is regrettable, however, that many parts of the white paper are difficult to understand and lack details.

As an example the lack of details, the white paper fails to make detailed explanations about the relaxation of 700 regulations that were either put aside or not included in the five-year plan for relaxing regulations when the government drew it up.

It has been pointed out that the 700 regulations were either put on the back burner or not incorporated in the five-year plan due to resistance from the zokugiin [a group of legislators speaking for special interests], ministries, and agencies — and from some industries although the business community as a whole advocates easing regulations. The white paper only states that the "government has already made public the need and basis for maintaining and operating current systems"; however, it does not explain at all why the current systems need to be maintained and operated.

The Management and Coordination Agency explains that it does not want to make excuses. We wonder if the explanation is enough. We believe that the agency should have not only played up the positive aspects of deregulation but also explained the actual circumstances surrounding the relaxation of regulations in a way that people can easily understand. The self-praise alone makes the deregulation stray from the primary purpose of deregulation that was sought by the Third Administrative Reform Council in the white paper.

Fear of Poor Crop Draws Rice Prices Higher

OW2007084795 Tokyo KYODO in English 0833 GMT 20 Jul 95

[FBIS Transcribed Text] Osaka, July 20 KYODO — An auction held Thursday [20 July] for this year's early rice crop drew high bid prices, with some brands traded at maximum allowable prices due to fears the long rainy season will cause a poor harvest, a group sponsoring the auction said.

Three out of eight brands were bid 5 percent above the benchmark price, while the remaining brand at levels 2.4-4.9 percent above the standard, the group said.

The auctioned rice is to be sold outside the government's official distribution channel. Such rice accounts for the bulk of Japan's total rice production.

The three brands that drew limit-high prices are "Koshihikari" harvested in Kagoshima Prefecture for Aug. 10 delivery, "Natsuhikari" from Kochi Prefecture for Aug. 10 delivery and "Natsuhikari" from Kochi Prefecture for Aug. 31 delivery.

Successful prices for these brands were 26,408 yen, 23,153 yen and 22,733 yen per 60 kilograms, respectively.

Many wholesalers apparently bid higher, expecting a poor harvest this year because of insufficient sunshine.

Defense Agency Plans Intelligence Headquarters

OW2007104195 Tokyo MAINICHI SHIMBUN in Japanese 17 Jul 95 Morning Edition p 2

[FBIS Translated Text] As of 16 July, the Defense Agency [DA] has decided to set up an "intelligence headquarters [joho honbu]" (provisional name) within the Joint Staff Council [JSC] to unify operations of surveying and analyzing military situations and strategic information — such operations are currently conducted by each Ground, Maritime, and Air Self-Defense Force [SDF]. The DA has decided to include the plan in its budget request for fiscal 1996 to be submitted in late August. The DA has been studying the plan designed to gather information on "various crises" in the post-Cold War era. It is expected that the proposed intelligence headquarters will be Japan's largest international intelligence organization, to be comprised of one thousand and several hundred personnel.

The DA has been studying measures to strengthen JSC functions as part of efforts to reconsider what Japan's defense capabilities ought to be. Therefore, the proposed intelligence headquarters is designed to establish an effective survey system and to improve analysis capability in an effort to deal with unstable international situations, including frequent regional conflicts.

The DA has the Defense Policy Bureau Second Defense Intelligence Division, which is in charge of surveying international military situations. The Ground, Maritime, and Air SDF's staff offices also have Second Intelligence Divisions in charge of the same job. Each staff office has a materials unit in charge of collecting and translating foreign publications and documents on military affairs. Moreover, the Ground SDF Second Intelligence Division has a special unit that is engaged in monitoring operations on a regular basis. In the case of the 1987 bombing of a South Korean airliner, the special unit drew attention because it monitored the airliner's communications.

The current information-survey operations are ineffective because each SDF staff office does works separately and gains duplicate information. For this reason, according to the DA plan, various information-survey units will be unified under the JSC chairman, and the management of the proposed headquarters will be under the direct control of a DA bureau. However, since "each unit needs particular information" (as stated by the JSC Secretariat), existing survey units will be scaled down and maintained.

DA's Murata: Further Budget Cut Unacceptable

OW2007105195 Tokyo YOMIURI SHIMBUN in Japanese 18 Jul 95 Morning Edition p 2

[FBIS Translated Text] The Defense Agency cannot accept further budget reductions in fiscal 1996, Naoaki Murata administrative vice minister of defense, said.

Wataru Kubo, secretary general of the Social Democratic Party of Japan, and Masayoshi Takemura, head of Sakigake [Harbinger] and finance minister, recently insisted the growth rate of the FY1996 defense budget should remain lower than that of this fiscal year (0.855 percent). Commenting on this in a 17 July news conference, Murata stated: "We will demand necessary expenses in consideration for repayments due next year. Without the funds, we just cannot formulate the budget."

According to a DA estimate, the FY96 defense budget will inevitably increase by approximately 150 billion yen — 50 billion yen for personnel expenses and 100 billion yen for repayments for an Aegis-equipped destroyer (worth about 115 billion yen) and four AWACS planes (worth about 220 billion yen in total) — from the 1995 level. So, the agency insists the 1996 defense budget should be increased by at least 3 percent from the 1995 level (as noted by Secretariat Director Seiji Ema).

Touching on reduction of expenditures through the appreciation of the yen, a top Defense Agency official noted: "The yen value increase by 1 yen against the dollar will save 1.5 billion yen, but the total savings from the exchange rate change is just about 15 billion yen." The Self-Defense Forces are saving personnel expenses by extending retirement of officers. Training expenses are also very tight. The agency stressed "further reduction of expenses is extremely difficult."

Media Focus on Critical "Floating Voters"

95P30124A

[FBIS Media Note] Japanese press reporting on the upcoming 23 July Diet upper house election indicates that approximately half of the Japanese electorate says it supports none of the established parties and that "floating voters" could hold the key both to the outcome of the upper house election and to the future of Japanese politics.

"Floating Voters" Bloc Growing

Japanese media coverage of the floating vote issue has increased since voters in Osaka and Tokyo elected nonparty affiliated governors in April 1995. According to the 5 July YOMIURI SHIMBUN, up to 17 percent of Liberal Democratic Party (LDP) supporters cast their votes for new unaffiliated Tokyo governor Yukio Aoshima. According to the 12 July ASAHI SHIMBUN, voters' behavior in the Tokyo election is part of a longer-term trend: during the past four upper house elections, the percentage of voters not voting for the five well-established parties increased from 15 percent in 1983 to 20 percent in 1992. The extent of voter alienation from the established parties could also be gauged by the number of voters casting blank ballots. For example, 2.83 percent of the total ballots cast in 1983 were blank, but by 1992, this number had doubled to 4.45 percent.

Public Dissatisfaction With Government

According to a recent poll conducted by TOKYO SHIMBUN and published in the paper's 2 July edition, 65 percent of respondents had no party preference, and more than half stated they did not trust any of the parties. According to another poll, published in the 7 July NIHON KEIZAI SHIMBUN, 44 percent of voters support no particular party. Moreover, many respondents in recent polls have voiced strong criticism of the established political parties. According to a poll taken in June and published in the 5 July YOMIURI, 46.5 percent believed that "politicians are preoccupied with party politics and are ignoring the people."

Concerning the upcoming upper house election, according to the 2 July TOKYO SHIMBUN, 16 percent of those polled by the paper said they would vote for independent candidates. According to the paper, only 31 percent said they would vote for the LDP. Another report on the election, in the 2 July TOKYO SHIMBUN, quoted a New Frontier Party (NFP) source as stating that he expected the floating voters to cast their votes for the opposition parties. Yet another report, in the 7 July YOMIURI, stated that in order to gain the support of floating voters, as many as 47 candidates have reportedly decided to run as independents.

Parties' Efforts To Capture Floating Voters

According to press reports, established parties are fielding non-political "talento" [celebrity] candidates to attract floating voters. According to the 11 July YOMIURI, a total of 26 "talento" candidates are running in the upcoming election. For example, the LDP is fielding former newscaster Keizo Takemi at the top of its proportional representation list and the NFP is supporting an actress, Chikage Ogi. Despite the absence of support from influential organizations and public criticism of established parties for fielding too many celebrities, their "talento" candidates are reportedly doing well in cities and in rural areas, according to the 9 July ASAHI. "talento" candidates who are either unaffiliated or backed by small parties are also reportedly doing well.

Factors Behind Floating Voter Phenomenon

In analyzing the increasing number of voters with no party preference, the 11 July YOMIURI reported that many of them are simply "anti-LDP" and "anti-SDPJ" and that they plan to cast protest votes against the Murayama government in the upper house election. Similarly, Hoso University professor Hitoshi Abe asserted in the July issue of the journal USHIO that floating voters are primarily unhappy with the ruling coalition parties. These voters think the SDPJ has gotten too close to the LDP, according to Abe, and no longer trust the SDPJ. Abe claimed that labor unions continue to be the SDPJ's major backers, but that the SDPJ is continuing to focus on recruiting only high-ranking labor union officials for candidates and neglecting the unions' rank and file.

In an interview article carried in the 1 July issue of the weekly economic journal TOYO KEIZAI, Tsuyoshi Sasaki, a Tokyo Unviersity professor and a member of the Prime Minister's Administrative Reform Council, offered an economic explanation for the growing importance of floating voters among the electorate. According to Sasaki, there are two basic groups in the electorate, a first group that benefits from the current market economy presided over by the conservative coalition government, and a second group, consumers who are at the mercy of government policies and whose "livelihoods" are not improving at all. The first group, Sasaki wrote, has traditionally provided support for the long-established parties, including the LDP. The LDP, in turn, has maintained close ties with industries in this group and helped to formulate various rules and regulations to protect them and their vested interests. Sasaki asserted that both the LDP and the SDPJ have in fact been protectors of this group," despite their existing policy differences and the historically stormy relations between them.

According to Sasaki, as long as these politicians cater to voters in the first group with subsidies and regulations, those people will continue to believe that the government is doing its job. But from the viewpoint of voters in the neglected second group, including consumers who support reforms and deregulation, the government is not accomplishing anything. According to Sasaki, the upcoming upper house election could actually bring together the heretofore divided two groups—"the protected" and "the not protected"—and politicians who have protected the priviledged group might be judged harshly by the floating voters participating in the election.

Poll Finds Increase of Unaffiliated Voters

OW2007092695 Tokyo KYODO in English
0900 GMT 20 Jul 95

[FBIS Transcribed Text] Tokyo, July 20 KYODO — Most candidates in the House of Councillors election set for Sunday [23 July] see an increase in voters who do not affiliate themselves with any party, a KYODO NEWS SERVICE poll said Thursday.

The survey, conducted on 202 of the 386 candidates running in 47 electoral districts between July 11 and 20, indicated that 187, or 92 percent, see an increase of voters with no party affiliation.

A similar trend was noted in the April gubernatorial races in Tokyo and Osaka, suggesting it is spreading nationwide.

Those party-free voters gave a big boost to independent candidates in their victories over retired bureaucrats who are backed by mainstream parties.

Respondents in the recent poll cited a series of splits and mergers among main parties and nearly uniform party policies as reasons behind the increase in non-party affiliated voters.

Most candidates backed by the Japanese Communist Party (JCP) and some 10 others supported by other parties singled out failures of party-backed candidates to abide by campaign pledges, according to the poll.

Asked what is the most important campaign pledge, some 60 respondent candidates pointed to policies to boost the sluggish economy and to deal with the yen's appreciation.

There are no clear differences in campaign promises among party-backed candidates except for those supported by the JCP, who make it clear that they oppose an increase in the consumption tax.

Fewer than 10 candidates are battling for upper house seat with vows on political reform, a key topic in the past several national elections.

Unaffiliated Voters May Hold Key to Election

OW2007005795 Tokyo KYODO in English 0031 GMT 20 Jul 95

[By Takehiko Kajita]

[FBIS Transcribed Text] Tokyo, July 20 KYODO — When Japanese go to the polls Sunday to fill half of the 252-seat House of Councillors, the fate of Prime Minister Tomiichi Murayama's one-year-old tripartite coalition government will be at risk.

Attention is focused not only on a fresh makeup of the Upper House but also on whether Murayama, 71, can stay in power after the election in which his Social Democratic Party (SDP) [of Japan — SDPJ] is expected to suffer a major setback.

Because of the SDPJ's tie-up in June 1994 with its longtime archrival, the Liberal Democratic Party (LDP), and an ensuing flurry of about-face moves on key policies such as national security and defense, it appears very likely that the SDPJ will lose seats.

Murayama's resignation as SDPJ chairman and head of government depends on how many seats the SDPJ loses.

His departure could result in the demise of the three-way coalition, which comprises the SDPJ, the LDP headed by Foreign Minister Yohei Kono, and New Party Sakigake [Harbinger] led by Finance Minister Masayoshi Takemura.

"But I doubt if the SDPJ has lost as many supporters as is widely believed," said Tadashi Ciyasu, a political sociology professor at Ryukoku University.

He added that some followers must have long expected the party to develop into what it is now and others will eventually have to vote for the SDPJ simply because they cannot find an alternative force so easily.

A total of 97.32 million people are eligible to vote in the 17th Upper House election, representing a 4 percent rise from the previous poll in July 1992. In terms of gender the electorate is comprised of 47.27 million men and 50.05 million women.

With 567 candidates vying for 126 seats, the contest is the first national-level election since Murayama took the helm of government about a year ago.

Elections for the second chamber take place every three years as half of its seats are vacated by legislators completing a six-year term.

Of the total, women candidates number 124, the second highest for the upper chamber after the 135 recorded in 1989.

Due to a lack of major campaign issues, voter turnout is projected to slip below the 50 percent mark and hit a record low. The previous low was 50.7 percent posted in 1992.

People who do not identify with any political party may hold the key to the race as they did in the unified local elections in April. Their potentially strong power creates a lot of uncertainty in the outcome of the upcoming race.

Polling stations will open at 7 am and close at 6 pm and tabulation of votes will begin shortly after ballots close in all prefectures.

The election results will start becoming clear at around 9:45 pm Sunday, and the final table of winners will be recognized by 5 am Monday.

In the triennial election, voters will choose 50 at-large seats via the proportional representation system from a field of 181 candidates from 23 parties and groups.

The number of candidates for the national constituency is the fewest since 1983, when the proportional representation system was introduced for upper house polls.

Also, the number of parties vying for the seats in the national voting district is the second fewest after 1983, when 18 parties participated.

The LDP is fielding 29 candidates, the SDPJ, 18, and Sakigake, 10, respectively, for the proportional representation slots. The main opposition party Shinshinto (New Frontier Party) is putting up 30, while 25 candidates are running on the Japanese Communist Party (JCP) ticket.

Under the proportional representation formula, each party prepares a list of candidates and voters cast their ballots for a party, rather than for an individual contestant.

The number of successful candidates on a party's list is determined in accordance with the percentage of votes that party garners.

A total of 386 candidates are competing for 76 seats in 47 prefectural districts. Among them are the LDP's 37, the SDPJ's 22, Sakigake's five, Shinshinto's 32 and the JCP's 47.

In addition, 47 independents are running in the prefectural constituencies, the largest number since 1983.

The preelection standings of the major political parties in the second chamber are 94 for the LDP, 63 for the SDPJ, one for sakigake, 35 for Shinshinto and 11 for the JCP.

As the LDP and the SDPJ hold 83 uncontested seats between them in the upper house, the chances of the opposition camp capturing a majority are almost nil.

"In the upper house poll, shinshinto will increase the number of its seats at the expense of the SDPJ," a Shinshinto legislator predicted.

Ozawa Comments on Upper House Election

OW2007073495 Tokyo MAINICHI SHIMBUN in Japanese 12 Jul 95 Morning Edition p 2

[Interview with Ichiro Ozawa, general secretary of the New Frontier Party, by MAINICHI SHIMBUN; date and place not given]

[FBIS Translated Text] [MAINICHI SHIMBUN] How would you define the forthcoming House of Councillors' election?

[Ozawa] This will be an occasion for the people to pass judgment on the question of how Japan should be run and how its politics should be structured in the future. We have created a large party to improve on the working of the two-party-based parliamentary cabinet system, and our party is willing to become, and is capable of becoming, one of those two parties. This will be the time for the people to make a judgment on the creation of a major party. This is an election that will have a major impact on a transitional Japan.

[MAINICHI SHIMBUN] What are the points of contention? How is your party different from the ruling parties?

[Ozawa] The difference is whether a party is "reformist or conservative." Running the government the old way cannot protect peace and prosperity for the people. The present government thinks "the present way of doing things is good." Even the administrative reform that they said was the government's most important task has turned out to be only words. The New Frontier Party [NFP] introduced a bill on administrative reform, but the bill did not pass in the Diet because we did not have a majority. As a minority party, there was no way of getting our stand realized.

[MAINICHI SHIMBUN] What do you want to say to the people who have no party to support?

[Ozawa] The number of those not supporting any party is growing because the parties and politicians are unable to meet the people's expectations. It can be said that this (increase in people with no party to support) is a representation of the people's will to reject the existing system, political parties and politics itself. I think this should be very much welcome.

[MAINICHI SHIMBUN] The NFP is heavily dependent on Soka Gakkai [a Buddhist group] for votes. Will not that make it difficult for the party to get votes from other religious groups?

[Ozawa] Certainly not. For instance, in the last House of Representatives' election, I was supported by the people of Rissho Koseikai [another Buddhist group] as well. It is not right to say we are supported by only a certain group, even though it is true that the Soka Gakkai people are a main element of our support.

[MAINICHI SHIMBUN] Some people say the NFP used up all its energy in the course of creating the party.

[Ozawa] That is what you reporters say. All of us are doing all we can in our respective positions. A wind is something that can be created. Let us take kites. Kites will float up naturally when there is a wind. However, even when there is no wind, you can fly them by running. In elections, campaigning at every corner of the nation can turn into a wind.

[MAINICHI SHIMBUN] What is your party's win-or-lose line?

[Ozawa] Our goal is to win a majority of seats. That is only natural for a party that wants to take over the government. It may be difficult, but I do not think it is altogether impossible.

[MAINICHI SHIMBUN] What is your forecast of the post-election political world?

[Ozawa] Even when the NFP wins a majority in the upper house election, it will not mean that the party will win a majority in both the upper and lower houses. If the ruling parties want to hang on to power by all means, then they can.

[MAINICHI SHIMBUN] Some people say that there should be another political reorganization before the general election.

[Ozawa] (The only way to regain government) is to win in the election. There is no other way. We are now in the process of transformation. The best way is essentially to ask for the people to trust us, and to have them pass judgment.

[MAINICHI SHIMBUN] What about the possibility of tying up with the Liberal Democratic Party [LDP] or a group within the LDP?

[Ozawa] If a majority group of the party comes to think "Japan is now in jeopardy" and "politics should be changed," and if we can support that view, then we will not be reluctant to cooperate. However, having a "conservative-conservative alliance" or "getting back with the LDP" is impossible.

[MAINICHI SHIMBUN] When the Murayama government was launched, the Social Democratic Party of Japan [SDPJ] admitted the Self-Defense Forces [SDF] was constitutional. Do you consider the SDPJ now a party you can work with?

[Ozawa] I do not think the SDPJ has changed essentially. The LDP and SDPJ joined forces because it has not changed. They basically came together because they wanted to defend the vested interests and system under the 1955 political regime.

[MAINICHI SHIMBUN] The NFP's presence is not felt. Can you still make appeals to the voters in the upper house election?

[Ozawa] Those people who say the NFP's presence is not felt or the party is low-spirited say that because they still think from the perspective of the 1955 political regime. Some people say the NFP can do no better. However, the NFP is a minority party now. I always tell those people that they should "let us run the government" and see if we can do it as well as the ruling parties.

Kajiyama Describes Vision for 21st Century

OW1907124395 Tokyo BUNGEI SHUNJU in Japanese Jul 95 pp 110-122

[Article by Seiroku Kajiyama, member of the House of Representatives and former secretary general of the Liberal Democratic Party: "My Declaration of Action"]

[FBIS Translated Text] The purpose of my article entitled "Japan's Vantage Point Toward the 21st Century — The Kajiyama Vision" — is to tell my idea about what kind of country Japan should become amid the great change the world is undergoing following the collapse of the East-West Cold War structure — a great change that is equal to the Meiji Restoration or to the defeat in the Pacific War.

With the birth of the Hosokawa administration in August 1993, the Liberal Democratic Party [LDP] left power for the first time in 38 years. Since then, the LDP has experienced the life of a party out of power for a year. I was the LDP secretary general then, and as the person most responsible for the defeat, I showed my penitence and lived in seclusion. These were written about in "My Confessions," appearing in the January 1994 issue of BUNGEI SHUNJU.

I greeted the end of World War II in former Manchuria as a soldier; for 50 years after that I racked my brains for the development of Japan as a politician. I have participated in Japan's postwar politics during the prime of my life, and I thought I knew everything about Japan's politics. However, going out of power prompted me to again verify Japan's postwar politics in which I had participated. This enabled me to see the real facts of the postwar politics that I had not noticed till then. The successive cabinets of the LDP put up their own policy objectives, and the LDP had maintained a one-party administration by realizing these objectives. For example, the Ikeda cabinet advocated "Income-Doubling Plan"; the Sato cabinet, "Reversion of Okinawa to Japan"; the Tanaka cabinet, "Remodeling of the Japanese Islands."

A broad and objective observation of these achievements after leaving power made me realize that they all are an extension of the dominant principle chosen by the Yoshida cabinet — the principle that Japan belongs to the capitalist camp of the West with the Japan-U.S. Security Treaty as the axis. The root of the matter is a big choice made by the Yoshida cabinet — "Yoshida vision" — and the individual policies were nothing but the minor details of the vision.

However, following the collapse of the West, the strength of which was a prior condition of the dominant principle, Japan has been placed in a situation where it must build its policies on a completely new foundation. In short, Japan's politics now need a new vision that replaces "Yoshida vision".

We have experienced the work of formulating a dominant principle that becomes the foundation of individual policies twice in the past — at the time of the Meiji Restoration and Japan's defeat in World War II. In both cases, the decision was made as a natural result of the "opening of Japan." At present we also are being tossed about by the issue of the "opening of Japan" called internationalization. In short, we are being driven by necessity to select a dominant principle to accomplish a "third opening of Japan."

If I may say so, this article is to show a new vision of my own.

Harmful "Political Reform" Fever

The Social Democratic Party of Japan [SDPJ], which came to realize the position of a realistic political party as a result of participation in the Hosokawa administration, changed itself from an entity based on the ideological confrontation between the East and the West into one with which we can cooperate in policy matters.

With the SDPJ's approval of Kimigayo, the national anthem of Japan, and Hinomaru, the national flag of Japan, as well as the Self-Defense Forces, the settlement of the 1955 system initiated by the Hosokawa administration has been completed, and we have greeted an age when we must grope for a vantage point.

What is the actual movement of our politics? Is there a move toward groping for a vantage point? To our regret, the answer is in the negative.

Amid the storm of the "political reform" which has raged for the past two years a very shortsighted and narrow view has prevailed that, if only the election system is reformed, i.e., if only the single-seat constituency system is introduced, party politics whose nucleus is a policy argument will immediately come into being, and a new, rosy Japan will be born. And, to our regret, this tendency still lingers on within the LDP.

For example, a typical example is the "theory of the public election of prime minister," which is being advocated by the LDP's younger leaders, including Executive Committee members. However, be it the single-seat constituency system or the public election system of prime minister, they are the theory of systems, i.e., they are only one of the means to realize the ideal of politics, or to determine the course to be followed by a country; they are never the true objectives of politics.

However, because of the spread of harmful "political reform" fever, the true nature of the matter is misunderstood. The present Kono executive organ is of course no exception to this tendency. Whenever the occasion arises, they advocate a "change of generations." Are they really building a new political vision of their own? I have to say that the possibility is very remote.

The LDP has taken a flexible stance on new things, but it seems to me that the current LDP has begun to impair its intrinsic laudable custom.

For example, although it has been decided that the next election should be held under the single-seat constituency system, the management of the LDP is still being conducted as if it is under the multi-seat constituency system, and the party is not building a new system at all. The dissolution of factions, which formed the nucleus of the reformation of the party, ended in a folly — "The remedy is worse than the evil." The dissolution of factions without providing new, concrete measures for the maintenance of the party's vitality led to a marked decline of its power as a whole. The ill effects of a factional government were supposed to be the spread of plutocracy and the monopoly of posts, which were beyond forbearance. On the other hand, factions had a great advantage in that each faction could engage in a verbal battle outspokenly, work hard together, and join forces in an all-out effort for elections and policies as a political party. The LDP was like a government composed of a union of factions. Seventy to 80 percent of political power resided in factions, and the union itself had only 20 to 30 percent of power. A haphazard negation of factions led to the LDP's loss of power.

I am alarmed at the present condition of the LDP. At the same time, the thought that I must do something about it as an incumbent politician urged me to publish this Kajiyama vision.

Therefore, this article is not meant as a tool to strengthen the Murayama administration. As material for discussion, I have written this article to immediately rebuild the current politics, which are lacking vision, and to help Japan stand on a secure foundation 20 or 50 years from now. Rather, I want this article to be taken as part of my political activities to establish a system so that an old friend of mine, Mr. Tomiichi Murayama, who took the trouble to become the pillar of the LDP-SDPJ coalition government, can entrust the reigns of government to the next man without regret. At the same time, I believe that such an act of mine will be the best means of extending my thanks to Prime Minister Murayama, with whom I have formed an unbroken friendship.

A Union of Dietmen Transcending Party Boundaries

I am neither a scholar nor a commentator. I am well aware that a mere publication of this thesis does not exonerate me from my responsibility as a politician.

Now that I have published this article, I would like to conduct serious discussions with many politicians with this article as a material for discussion. If a complete vision is materialized as a result of the discussions, I would like to submit it to the public and obtain its approval. And I would like to establish a government that can completely carry out the vision as a policy. This is exactly my objective.

As a place for discussion, I would like to make use of, as a temporary measure, a "society to consider Japan's course," a policy group to be formed by veteran dietmen in June, as well as a "society to consider new party politics," a policy group already formed by dietmen of medium standing and young dietmen with dietman Hosei Norota as the leader.

However, I do not intend to adhere to these societies only. Since I am an LDP member, I value the LDP, of course. However, I would like to recruit many comrades, going beyond such a framework; and I want to conduct real policy discussions and discussions on Japan's course. As I have stated before, ideological confrontations have disappeared. Nowadays the frameworks of old political parties have become old-fashioned in a sense. If there are people in other political parties who approve of my vision, I will welcome them heartily. And, if a "ho-ho union" [conservative-conservative union], which is now much talked about, comes up to my expectations in the future, I intend to take it into consideration.

To begin with, the cause of the breakup of the LDP was the issue of "political reform." Of course, political reform will have to be continued forever, but to those who left the LDP, the issue of "political reform" must have ended at the time when the four political reform bills were carried. In that sense, they are our comrades who have advocated the same policy from the beginning. Therefore, we have no reason to refuse their return to the LDP. There is no reason to fight against them uselessly by taking a confrontational stance by force.

However, their return to the LDP must be effected on the precondition that there should be an agreement on the vision. I would like to ask for the participation of those who approve of my vision.

Since I decided to take action on the occasion of the 50th anniversary of the end of World War II, my original date of the publication of this article was 15 August. The election of the LDP president scheduled in September was the reason that I advanced the date by two months, which was a quite natural thing for me do to as a politician.

As is evident from what I have stated above, I would like to recommend as prime minister and president a person with whom I can discuss my article in detail and conceive a new vision together. Considerable time is necessary to have an adequate discussion on the matter, but there is not much time left before August, considering the election of president in September. Therefore, I have decided to publish my article now.

Arrogantly speaking, this article is a kind of "allegiance test" to choose the best-qualified leader for Japan in the future. Of course, I gladly welcome refutations and amendments to my article. I repeat that my article is a material for discussion. I would like to conceive a more wonderful vision out of such a discussion. However, not everyone will be able to pass this allegiance test. Some people within the LDP may say that they cannot take such a test. Conversely, some people outside the LDP may be willing to take the test. I would like to make such a distinction through my article. And I would like to realize new politics in cooperation with people with whom I can share the same political ideals.

During the "Golden Week" holidays in May, I finished writing this article, straining my wits and through the sweat of my brow. I exerted my utmost strength in writing this article. Every single passage of this article is important to me. Above all, I would like to discuss with determination the "absolute pacifism" described in Chapter II, because it calls for a political judgment as a practical policy.

For detailed information, please refer to the chapter concerned. As a partial explanation, I would like to express my idea: Although Article 9 of the Constitution seems to have been given by the United States according to a formalistic viewpoint, I think it was bought in reality with a great sacrifice of the nation. Every country ultimately recognizes the use of force in settling bilateral or multilateral disputes, but Japan has renounced it. In that action, there was a sure existence of the wishes of the Japanese people seeking peace sincerely.

Seen from this viewpoint, is it really significant for Japan, which has a Constitution unparalleled in the world, to adopt a "war-renouncing resolution" in the Diet now? The irresponsibility of Diet resolutions is evident when we observe the liberalization of rice in the past. Although the Diet had passed a resolution against the liberalization of rice three times, it easily liberalized rice.

The most important thing for us to do is to adhere to Article 9 of the Constitution; to be infatuated with opportunistic methods like Diet resolutions is the supineness of the government, in my view.

This matter is closely related with peacekeeping operations. Since Japan has no clear perspective of its international, peaceful contributions, the areas to which the Self-Defense Forces were dispatched rapidly spread to Zaire and Somalia, beginning with Cambodia. Now Japan faces the urgent problem of what to do with a request for the dispatch of Self-Defense Forces to the Golan Heights.

As an individual has things which he is good at or bad at, so does a country, which is an aggregate of individuals. Japan is good at international contributions in the economic field, but, due to lack of experience, it is very bad at peacekeeping operations that are tinged with a military coloration. We should have a more serious discussion on the contribution to international peace through our economic activities, at which we are good.

We should not follow a policy that only expands areas to which the Self-Defense Forces are dispatched. The spirit of the observance of Article 9 of the Constitution I mentioned above should be displayed in deciding on such a concrete policy matter.

This is related to the second point of my article — "A U.S.-first policy in bilateral relations; An Asia-first policy in areas." I think we should think of a positive application of peacekeeping operations in Asia. Although the world is said to be one, Japan shares its lot with Asian nations and will do so in the future, too, as its most important partners. We should create a strong bond between Japan and Asian nations through the contribution of blood and sweat.

Naturally, there is a great difference in the political significance between peacekeeping operations in Cambodia and those in the Golan Heights. We must clearly perceive this difference in significance; I think we need vision to establish such a government as will make this perception possible.

The Possibility of a Change of Prime Minister

Now, in conclusion, I would like to make some reference to the future political situation.

A big political issue now is the House of Councillors election. How its result will affect the Murayama administration is much discussed. However, I think there will be no change of regime in principle, even if the result is adverse to the administration.

When the LDP suffered a crushing defeat in the House of Councillors election six years ago, we seriously talked about leaving power. However, we refrained from that because we were told by the Legislative Bureau of the House of Representatives that: "The House of Councillors is the secondary house. Therefore, losing a majority in the House of Councillors does not affect the prime minister from the House of Representatives, which is the primary house. Since the LDP has a majority in the primary house, it is not forced to give up the reigns of government." The same can be said of the current case.

However, since Prime Minister Murayama is the head of the SDPJ, I have no right to throw a word in the issue of responsibility within the SDPJ. It is impossible to say that there is no possibility of a change of prime minister, which is also true in this case.

When I face the change of a prime minister, as a LDP member, I will have to think of producing a prime minister from the LDP in principle.

Prime Minister Murayama participated in the LDP-SDPJ coalition government with great resolution. When I consider his achievements and the long friendship I have cultivated with him, I do not think I will recommend a person from the LDP as prime minister just because he is an LDP member, unless I establish a system that allows Prime Minister Murayama to entrust his successor with the reigns of government without regret. This is not a time when we can monopolize politics for the party interests and the party platform. Japan's situation is not so easy.

What Japan needs most now is a leader who can show the direction of Japan with a clear vision. As a politician, I am determined to put forth strenuous and unremitting efforts to find such a person.

Japan's Vantage Point Toward the 21st Century — The Kajiyama Vision

Foreword

Japan's politics have been at the mercy of the storm of "political reform" for the past two years. I have heretofore criticized the "political reform" that follows the fashion of the day and that lacks reality, but I have not criticized political reform itself. It is a fact that Japan's political system, which lasted nearly half a century after the end of World War II — the LDP's one-party government system which lasted for 38 years in particular — has begun to show its defects. There is no doubt that we have reached the time when we must make a bold change in Japan's politics, economics, and society. The problem is that many politicians have been absorbed in advocating "political reform" without a clear ideal and vision as to what position today's Japan should occupy in history and what is to be changed and how. No election system is perfect, and it is fantastic to think that if only we change the election system, we can eradicate all the diseases Japan's politics are suffering from and build the foundation of an ideal country in the 21st century. I think that the single-seat constituency system of Japan is nothing but a system that will lead to a one-party dictatorship, and I still think it has a number of problems. However, since we have already decided to hold the next general elections under the single-seat constituency system, we have no alternative but to seriously promote Japan's political, economic, and social reforms under that system. However, if we find that the single-seat constituency system is incompatible with the peace and the stable development of Japan, we politicians should have the courage to abolish the system, as we scrapped the multi-seat constituency system as one inappropriate to the post-Cold War period.

Therefore, it is the duty of each individual politician to clarify his idea on what Japan needs now and on what kind of change it needs before the new election system is enforced. Unfortunately, Japan's politics are still not stable enough to promote a positive vision. An early stable political situation in Japan is an urgent necessity for a bold policy implementation. That is the reason I supported, as best I could, the establishment of the LDP-SDPJ-Sakigake administration, although it was called a "union of convenience." Furthermore, not to mention the collapse of socialism, a difference in policy between the LDP and the SDPJ has become minimal, although there is a difference in the political base. Since the so-called 1955 establishment, the LDP has adopted policies that put emphasis on greater welfare, workers, and consumers. And the SDPJ also has changed its attitude of wholehearted devotion to its ideologies and has adopted realistic, moderate policies, thus enlarging the range of discussion.

Immediately after coming to power in the summer of 1994, Prime Minister Murayama made a historic change in the SDPJ's fundamental policies, including the approval of the Self-Defense Forces. The real collapse of the 1955 establishment should be considered to have ended with Prime Minister Murayama's policy change, not when the LDP's one-party administration collapsed in July 1993. Whatever the future political system may be, what is certain is that the choice of political parties must be based on a clear guiding principle: What is the particular administration going to do, not what is its ideology. To take my responsibility as secretary general at the time of the collapse of the LDP's one-party administration, I designated myself as a war criminal; and, for the past two years, I had been thinking about what the current politics should be and what kind of country Japan should become in the future, returning to my original objective as a politician. The purpose of this article is to express some of my thoughts by taking this opportunity.

I. Sound Society—What Japan Has Lost Through Economic Development

It may safely be said that Japan has achieved unparalleled success as an economic nation 50 years after the end of World War II. It has become possible for the Japanese to hold the hope that their children will be able to enjoy a richer, brighter, and more comfortable life than their parents, and their grandchildren more than their children. This has become possible only recently — less than half a century — in the long history of Japan. This "hope for the future" was a result of our success as an economic nation and was the driving force of a new development. When I returned to Japan from an overseas land after the end of World War II and saw with my own eyes a war-devastated Japan, I was filled with a dismal feeling and asked myself if Japan could stand on its own feet again. When I look at today's Japan, I cannot help feeling that "we have done remarkably well to reach this stage." However, when we ask if the Japan in which our grandchildren will live will be a better country, or if the Japan in which the next generation will live will be a much better country, we can no longer answer with confidence that the answer is yes. The strongest reason is that Japan's economy has reached its uppermost limit. The collapse of the bubble economy — a huge bill in the wake of Japan's temporary prosperity — made the Japanese lose their confidence more than necessary. There is another thing as well. In exchange for miraculous economic growth we may have left or lost something more important. In a word, that is the moral law of the Japanese, and the historical view and the family system that supported it. The hollowing out of domestic industry due to the high yen is becoming increasingly serious, but in reality, the "hollowing out of mind and industry" is progressing at the same time. What Japan has to do now is to make a drastic change in the political and economic structures and at the same time reform our society itself, i.e., to reconstruct a "sound society" that can progress by maintaining an adequate balance among politics, economics, and society. There is not much time left for Japan. Sometime I am attacked by a sense of unease similar to impatience.

The Age of "Japanese-Type Economic Growth" Has Ended

Japan's economic growth had depended on a "hardware first policy" and "mass production and mass sale policy" — to produce quality goods at a low price and in great quantities. What made this possible was the expansion of a capitalistic economy with the overwhelming economic power of the United States as the lever, as well as the existence of a socialist system that kept nearly half of the world in a slow-growing, self-sufficient, restrictive economic sphere. It has been quite a long time since the U.S. economy lost its power following the collapse of the U.S.-Soviet Cold War structure, and the Japanese economy is now forced to make a drastic change, which is an inevitable ordeal for Japan. In the face of this ordeal, politicians and businessmen as well as bureaucrats are unable to present a recipe for the solution of problems with good reason. As long as the economic environment surrounding Japan was stable, the "hardware first policy" and "mass production and mass sale policy" were the easiest policies to pursue for politicians, businessmen, and bureaucrats: Politics realized the best way for the expansion and reproduction of capital through legislation and administration; bureaucrats with technical knowledge helped the work; and businessmen endeavored to develop their own business, employing all the resources at their disposal. At the current turning point, however, the policies Japan is most good at do not work. It is not that there are no policies to be pursued. The trouble is that there are a variety of ways, but their effects are unknown; therefore politicians as well as businessmen are unable to concentrate their power. Therefore, I would like to make some proposals to solve the fundamental problems of the current situation.

From an Economic Country to a Moral Country

It is often pointed out that "the Japanese think water and security can be gained for nothing." Recently, the purchase of mineral water has spread among the people, and there has been an increase in heinous crimes overshadowing the myth that Japan is a safe country. Therefore, Japan may be approaching the norm of the world in these two respects. However, more than water and security, what the Japanese have taken for granted like air and whose existence they have not doubted is a certain kind of ethical code. I was born in an average farming family in prewar days. In our family there were stern grandparents and parents, and nine brothers and sisters. Like our ancestors, our family valued simple living, frugality, and industry; our pride was to gain honor through some contribution to our country and society. Many Japanese who supported Japan's high economic growth in postwar days had been raised in a similar cultural climate.

However, the rapid economic growth after the war, as well as the economy-oriented tendency that judges everything from an economic point of view, has not only changed Japan from an agricultural country to a city state, but also changed Japan's family from a large family to a nuclear family, thus forfeiting a sense of ethics and ethical code, and making Japan a different country. For the whole society to have a sound mind, ideals, and vitality is a prerequisite for the existence and prosperity of a country. Before the war, the government tried to provide and control the ethical code, which bred a harmful military dictatorship and rather hindered the prosperity of the country. Politics do not need to provide and control the ethical code, but must act with courage so that each individual of the nation will value his or her own ethical code and that the society as a whole will highly evaluate such a endeavor of each individual. In other words, Japan should endeavor to be a "moral country" before boasting about its being a prosperous "economic country." This, in a sense, is related to the way that Japan's society, family, and education should be; this is also the ideal way for Japan to make contributions to Asia and other areas as a real international country.

Educational Reform Is the First Step

I would like to point out the necessity of educational reform as the first step toward a "moral country." The breakout of indiscriminate, heinous crimes like the Tokyo subway sarin attack, as well as the series of Aum Shinrikyo problems that lie behind these crimes, is symbolic of the unhealthy condition of Japan's society today. We should also note that all the leaders of Aum Shinrikyo are highly educated and that they were serious, industrious young men before becoming believers in the religious cult. Recently, whenever I talk to leaders of the business community, our conversation turns to the fact that the unpopularity of colleges of science and engineering and a decrease in student enrollments in these colleges may be weakening Japan's economic fundamentals. We cannot overlook the fact that those young men, who might have made a great contribution to the country and society through their technological knowledge if our society had been sound, sought their salvation in the new religion sect, and finally carried out an antisocial action that is humanly unpardonable.

What Japan should do is convert the "cramming system" of education, which attaches too much emphasis to knowledge, to character building that unifies mind, body, and knowledge. There may be a refutation that this is a stereotyped expression and that as long as there is the current entrance examination system and as long as society attaches emphasis to an academic background, this is a mere slogan. Paradoxically speaking, to promote education that attaches emphasis to the cultivation of abilities is also a good idea. If public education conducts only uniform education under the name of egalitarianism, the abilities of each young man will never develop. Moreover, as supplementary functions of egalitarianism, such education multiplies only the entrance examination industry, or private schools whose specialty is to send their students to leading universities as preparatory schools do.

The education to develop the abilities I mentioned may remind many people of the education to foster the elite conducted by the government in the former Communist bloc like the former Soviet Union, or the traditional education for the elite conducted in France, but my idea of education is quite different from these. My idea of the education to develop abilities is the same as others in that it tries to develop individuals' abilities to the maximum degree in various fields, such as science and technology, literature, art, and sports. However, my fundamental principle of education is: "Respect for various senses of value." "Individuals should have a wide choice and have the freedom to change their choices." "Respect for various senses of value" not only means that there should be no discrimination, such as putting a greater or a lesser emphasis on a particular field, but also that standards for college entrance should be well balanced, putting emphasis on every aspect of ability. The choice of fields in which individuals want to develop their abilities should be as wide as possible, and the flexibility of "freedom for change" should be secured without fixing the choice of individuals.

Scholastic ability is not the only ability that should be valued in young men. One of the things that impressed many nations in the recent Great Hanshin Earthquake was the voluntary activities of young men. Some young men, whose houses were burned down and who could not attend school, came to shelters with only a knapsack on their backs and engaged in the rescue work for the refugees. Looking at them, many Japanese must have felt that Japan is still a worthy country. However, unless there is a mature society or a system that can accept voluntary activities, a sense of justice for such young men may result in an unhappy ending. It was reported that, as the life of refugees began to return to normal, trouble occurred among volunteers, as well as between volunteers and local communities. This may be due to the lack of institutions I mentioned above.

A number of young Japanese people are burning with a sense of justice and passion, not only within Japan, but also in Asia and Africa, like Mr. Atsuhito Nakata, who died a noble death in Cambodia, where Japan sent its peacekeeping operations forces of the Self-Defense Forces for the first time. To our regret, however, Japan lacks the environment where their activities and experiences are valued as "Japanese assets." In the "education that values various senses of value," we should fully evaluate not only individuals' ability to conduct social activities like volunteer work, but also their actual achievements.

Naturally, education does not end only with the system, setup, and content of schools. What is more important is education in home and society; the character of young people is formed through the rolesharing of education in school, home, and society, and through a close cooperation among the three. However, what is equally important for education in these three fields is to properly teach the difference between right and wrong, which is a basic principle of moral education. It goes without saying that the stars in heaven and ethical code in mind are universal and immortal, and that the ethical code belongs to the realm of individuals. This, however, is not contradictory to teaching what is right and what is wrong in homes and schools.

The strictness of school regulations has long been a topic of discussion; it is said that there is a rule to the effect that: "Dessert should not be eaten before a main dish." Table manners are important as manners, but they should be taught in daily life by parents and teachers, instead of providing for them in school regulations. What homes and schools should teach as moral education is the fundamental difference between right and wrong, and emphasis should be put on "do this," not "do not do this."

In addition to that, the government must take actions that clearly differentiate right from wrong from the standpoint of the state. In short, the state should actively encourage what is good and punish what is wrong according to law, common sense, and the social conscience of the nation. In other words, the state and society, without regard to ideologies or superfluous opinions, should present a firm idea of right and wrong though action, and individuals should establish their own ethical code through education in various fields.

There is a sentence in the "Discourses of Confucius" to the effect that: "True gentlemen, in dealing with matters, make a decision with the public in mind, while mean persons act in terms of profit and loss." We must rethink the fact that Japan as an economic nation has become a mean person both as a people and as a nation. Certainly, the economy may be the best means to make people happy, but it is only a means. Japan's crisis lies in the fact that a means has become an end itself. An immoral country or society is doomed to decline. Each Japanese citizen needs to meditate on a Japanese tradition — "To have pride and a sense of shame." To revive its vitality, Japan urgently needs to send, to every field, persons who have an ethical code and who have developed their abilities to the maximum degree.

II. Absolute Pacifism

If an ethical code, though invisible, is the foundation for a "sound society," the Constitution forms the basic principle of the state in a visible form. At the turn of the 50th anniversary of the end of World War II, much discussion on the Constitution has been created, and we cannot talk about Japan's vision without addressing this problem.

I do not think the Constitution of Japan is a code of laws that will be in effect forever. Enshrining the Constitution, which is the foundation of Japan, as inviolable lacks flexibility that is indispensable to democracy. And, the international situation being in such a state of drastic change, it is necessary for the nation to always consider the ideal form of the Constitution, and to endeavor to make it more conformable to the needs of the time. There is an opinion that underestimates the contributions that the present Constitution made for the development of Japan after the war, putting too much emphasis on the fact that the Constitution was established after the model of a U.S. plan in a chaotic period immediately after the end of the war. Article 9 of the Constitution, in particular, is the clause that was bought with the blood of millions of Japanese, and I think its spirit should never be changed unnecessarily. The Constitution represented by Article 9 was a declaration, made to the inside and outside of Japan, that the Japanese, who were defeated in the war, decided to discard the way of a big, militaristic power, choosing instead to be a cultural country with which countries can live in peace and safety, however small the country may be. Fortunately, it has become possible for Japan to enjoy prosperity more than the prewar days, and it should never forget the starting point of pacifism that it has avowed.

For example, there is an opinion that there is a limit to the efficient use of the Self-Defense Forces under the present Constitution for the active promotion of international contributions, or that Japan should make it clear that it has not renounced the right of self-defense, which is a right proper to a state. Such an opinion is one thing, and putting a high value on the ideals of Article 9 is another. The reason Japan renounced war was that it could not survive as an independent nation in the international community unless it showed its determination to be a peaceful nation that will never go to war again. I do not think it is permissible for Japan to change its starting point now just because it has grown economically big, or to try to show its identity by changing Article 9 that is beyond the "commonsense of the world," unless it faces an invasion from overseas and is in imminent danger. Since foreign countries do not want Japan to change Article 9, Japan will only alarm them unnecessarily if it tries to do it. We must not forget that Japan is a country that can live only in international peace, no matter how greatly international situations change.

III. Putting the Emphasis on Asia—"Faceless" Country's Third Opening of Its Door

As a nation, Japan's "face" has been invisible for the past 50 years since the end of World War II: "What is Japan aiming at and what is it going to do?" If Japan does not make this known, it is natural for foreign countries to think it uncanny, simply because of the sheer size of its economy. Under the Cold War structure, Japan has put emphasis on its relations with the United States; it has consistently been out-and-out pro-U.S., if I may be allowed an exaggeration. It has never been a wrong choice in itself. However, Japan's new diplomatic ideals are not yet born, although the world strategy of the United States is changing in the wake of the collapse of the Cold War structure. Japan still adheres to its U.S. policy, and, watching every movement of the United States, it overreacts, saying: "It is Japan bashing." "The United States is putting pressure on us." The fact is that the United States is changing. It is quite natural for a country to pursue its own interests and to run the whole gamut of diplomacy. The time has come for Japan to judge things calmly by taking into consideration both the national interests and the interests of the private sector.

I think today's Japan has greeted the "third opening of a country" since its first and second openings of its country: Commodore Perry's arrival in Japan in the closing days of the Tokugawa regime, and the defeat of Japan in 1945. Japan has regarded economic growth as the only criterion for national development and has gotten along somehow or other without having a clear diplomatic vision. Now Japan must open itself under the pressure of true internationalization. At the time of Commodore Perry's arrival, Japan had a kind of face — "samurai" society and seclusionism; at the time of its defeat, Japan had the face of a militaristic country. Since Japan had a face, it could remake its face to survive in the international community. Then, what should be the fundamental principle of the open-country policy of Japan that does not have a face now? I think Japan, as a member of Asia, should share its lot with the peoples of Asian nations, and that it should make thorough international contributions.

As a Member of Asia

If we consider Japan's diplomacy only in terms of bilateral relations, what is still most important both politically and economically is the Japan-U.S. relationship even in the post-Cold War period. The United States is the only country in the world that can handle an international problem of a worldwide scale as its own problem, its ideals of liberalism and democracy are still pervasive internationally. The Japan-U.S. security system, which has played a central role in the peace and security in the Far East, will be even more important in the future as well, and will become the keynote of the safety and security of the area. For these reasons, Japan must assist the United States as much as possible so that it can take the initiative in solving important international problems without being inward looking. We should always keep in mind the fact that a good Japan-U.S. relationship is indispensable for the stable development of the world economy.

However, it is also evident that Japan must live as a nation in Asia both historically and geopolitically. "Asia is important" is a hackneyed phrase used by the Japanese Government in its diplomacy. However, it is doubtful whether the Japanese Government has really explained Asia's importance to the nation, or whether it has really treated Asia as it has preached. In addition, no matter how often Japan cries "Asia is important," it often gives the impression that Asia is rather secondary in importance and that a firm foundation of the Japan-U.S. relationship is prerequisite to the policy that "Asia is important." Therefore, Japan cannot gain the trust of Asian people. The way things are going, Japan will face the danger of international isolation as an economic country that is neither an Asian country nor a Western country — an imperfect country.

As an economic country, however, Japan has already established an indissoluble relationship with Asia. Japan's Asian trade occupies 39.7 percent of its total exports in 1994, which is way above 29.7 percent of Japan's U.S. trade. Compared with 10 years ago, Japan's exports to the United States have decreased by 7.5 percentage points; its exports to Asia has shown a rapid increase of 20.8 percentage points. U.S. exports to Japan have increased by 2.9 percentage points for these 10 years, occupying 22.8 percent in total; the Asian side has increased its exports by 11.3 percentage points, occupying 34.7 percent in total. Japan's exports to Asia have increased by 2.2 times for these 10 years, while its imports from Asia have increased by 2.1 times, which shows an amazingly rapid increase of Japan's trade with Asia. The main reason for this may be that the rapid appreciation of the yen triggered by the Plaza Accord prompted a shifting of Japanese enterprises to Asia. Professor P. Drucker [name as transliterated] says: "To say it in an American way, Japan tried to fly with only one engine working 10 years ago. Now, however, it is flying with both engines working." In other words, to Japan, the United States and Asia are two engines.

Despite that, the perception that Asia is of vital importance to Japan is still weak. The wall that separates Japan from other Asian nations may be the past war in a primary sense. It goes without saying that we must sincerely make constant efforts to mitigate the feelings of these peoples. And it is also important for the Japanese people to deepen the perception that Japan's friendly relationship with Asian nations is vital to its future. An undue strengthening of economic relations without a deepening of such a perception makes it difficult for Japan to dispel the misunderstanding — Japan's economic invasion — that is harbored not only by some Asian people, but also by Europeans and Americans. Japan's economy is so structured that it cannot function without strengthening its relationship with Asia. Therefore, we must make it known that it is not an "economic invasion," but economic symbiosis that makes the continuity of Japan's economy possible. For this reason, the international contributions listed below must be fully beneficial to Asian people.

IV. International Contributions Should Be Made National Objective—From the Philosophy of Poverty to the Philosophy of Affluence

I think the Japanese, who worked hard in poverty for a long time, are a people who strove to live beautifully and aesthetically. Today's Japanese, however, seem not to know what the rich should do or what the state should be, although Japan has now become one of the richest nations in the world. I think what Japan, now a rich country, should do is to make a thorough contribution to the peace and security of the world. Of course, such a contribution is not the creation of peace backed by military force. Japan should adopt a method that can gain a true appreciation of the international community through full mobilization of Japan's technical and economic power. Japan's international contribution is beneficial to Japan itself, as well as to foreign countries. It gives the Japanese people a new dream and hope, as well as mental food, so that they can live with pride in the international community at a time when Japan is deadlocked, although it has achieved economic development that was the only national objective of Japan. In addition, it is beneficial to Japan's next development. I would like to propose two national projects as concrete measures.

Are Energy and Food Everlasting?

In considering Japan's future in connection with its international contribution, I would like to propose that Japan change from a country specializing in mass production with hardware as the axis to a flexible technical country by combining software and advanced technology with hardware — which Japan has been good at — as the axis. And Japan should utilize its achievements for the benefit of the international community. The first concrete project has to do with the conversion, transportation, and storage of natural energy. According to the current rate of production, it is estimated that recoverable reserves of oil will last 46 years and that of natural gas will last 65 years. With the growth of the world economy, these reserves will decrease at an increasing tempo, and if fossil fuel continues to be burned, global warming will become serious.

I have been thinking about the use of solar energy for the past 20 years since I began to concern myself with the energy problem as a dietman. Solar energy that pours on the deserts of the earth reaches an astronomical figure — 4.3 quadrillion kilowatt-hours. Twenty years ago, it was an empty dream to try to convert solar energy into some usable form or to transmit it from the deserts, but today it is not necessarily so. The method of the bold use of solar energy has become vaguely visible due to the decrease in power generation cost, the transportation of electricity by converting it into liquid hydrogen, the progress of superconducting electric transmission technology, the development of superconducting coils and high-efficiency storage batteries, and others. Furthermore, the undeveloped hydroelectricity of the world is said to be equal to the world's current power consumption — some 12 trillion kilowatt- hours. And the progress of power storage technology will lead to the efficient use of this undeveloped hydroelectricity.

Another serious problem to mankind is food. It is estimated that the world's population will double by the year 2050, reaching 10 billion. For 10 billion people to take in 3,000 calories a day, the current food production must be increased 2.3 times. Meanwhile, there is a decrease in harvest because farmland has turned into desert and soil has deteriorated. There is no alternative but to increase food through the power of science. First is the development of gene recombination technology through biotechnology. The raising of rice plants that are immune to disease and weeds can prevent soil pollution from the use of agricultural chemicals; the birth of rice plants and other crops that can bear a harsh growth environment leads to the enlargement of arable land. Biomass technology can be applied to the production of food out of unused resources or to a more efficient production of fishes. The second is the factory production of plants. Through improvement of breed, as well as environmental control such as culture media, fertilizers, and sunlight, it is possible to harvest crops three or four times a year instead of once a year; furthermore, they also make it possible to cultivate crops in two or three layers.

A Project of 50 Trillion Yen in 20 Years

Although many people know they will face serious energy and food crises in the not-too-remote future, no one tries to take a bold measure against them. People in developing countries where nearly 800 million people suffer from malnutrition, strongly believe that these two crises have been caused by some developed countries that monopolize resources and wealth and enjoy a rich life. However, it is all politics can do to deal with the crises before its eyes, and private businesses cannot afford to tackle those two crises. However, when the crises become a reality, it is too late for us to deal with them.

The United States spent $7 trillion on the Apollo Project to send a man to the moon. I think Japan should spend 50 trillion yen on the two national projects in 20 years. Bold investments in research fields will have a far-reaching effect on their related technologies and will be effective in training researchers in various fields. If national bonds are investments for the future, we should spend them with determination on the fields that lead directly to the existence of our descendants. If we open to the outside world the energy, food, and technology that are gained through research and development, that will be a great contribution to the people of Asia and other developing countries.

Conclusion

I ventured to write this article because, at a time when there is no confrontation in policy matters among political parties, no politicians are enthusiastic about conducting political debates seriously. From now on, politicians themselves must present concrete policies and must realize them. As I said at the beginning of this article, a newly introduced single-seat constituency system is one that is likely to invite one-party rule. In the midst of it, every political party, whether it is a ruling or opposition party, should maintain its identity as a political party. And, to realize a "two big party system to conduct political debates" that is a catch phrase of the single-seat constituency system, every political party must continue to present to the people its policies in a definite form. I am not only willing to face criticism concerning the contents of this article, I would like to improve it. My wish is that all people, including politicians, will come together, each bringing his or her ideas aimed at the 21st century, and that such ideas will be realized one by one, or even little by little.

MOT Seeks Restructuring in Shipping Industry

*OW1907234395 Tokyo KYODO in English
2310 GMT 19 Jul 95*

[FBIS Transcribed Text] Tokyo, July 20 KYODO — The Ministry of Transport [MOT] on Wednesday issued a report urging Japanese shipping companies to promote restructuring in the face of difficult business conditions.

In its annual "white paper" on the shipping industry, the ministry said ocean-going shipping companies have been hit hard by increasing international competition as a result of the yen's steep appreciation.

The ocean-going shipping industry will go beyond "hollowing out" and fall into a "vacuum," the ministry said.

For example, the number of 2,000-gross ton and bigger ships carrying the Japanese flag is expected to plunge to 95 in 2000 from 234 in 1995, the ministry predicted.

In addition, the number of Japanese crew members will decrease to 3,800 from 5,700.

To forestall the industry's plunge into such a situation, the ministry called for the adoption of a system under which fixed-assets and registration taxes will be lowered and shipping companies will be required to employ Japanese nationals as captains and chief engineers.

The system is aimed at reducing costs and maintaining shipping skills. Germany, Norway and other maritime powers have similar systems, the ministry said.

It also noted that coastal shipping companies have yet to vitalize their operations.

For the vitalization of coastal shipping operations, controls on new shipbuilding should be phased out and market mechanisms should be introduced into the industry, the ministry said.

While praising the shipping industry for playing important transportation roles in the wake of the Jan. 17 Great Hanshin earthquake, the ministry called for the creation of ports resistant to natural disasters.

Shipbuilders To Import Materials, Engines

OW1907103895 Tokyo KYODO in English 0847 GMT 19 Jul 95

[FBIS Transcribed Text] Tokyo, July 19 KYODO — Japanese shipbuilders will import steel materials and engines for use in ships in order to maintain international competitiveness, an industry leader indicated Wednesday [19 July].

"If possible, we want to consider imports," Yoshihiro Fujii, head of the Shipbuilders Association of Japan, told reporters.

According to the association, Japanese shipbuilders currently procure all steel materials and engines from domestic suppliers, which account for half of their total material costs, because of strong business ties between them.

But the yen's steep appreciation has weakened Japanese shipbuilders' international competitiveness, especially compared with their South Korean counterparts, by raising production costs.

Fujii said Japanese shipbuilders must improve their competitiveness by abandoning Japanese business practices.

Although a complete shift to imports is impossible, the question of material procurement should be resolved within the framework of a free economy, Fujii said.

North Korea

Establishment of New Peace Mechanism Suggested

SK2007113795 Pyongyang NODONG SINMUN in Korean 25 Jun 95 p 1

[Editorial: "Let Us Remove the Danger of War on the Korean Peninsula and, Thus, Achieve Solid Peace There"]

[FBIS Translated Text] A long period of 45 years has passed since the U.S. imperialists and the South Korean puppet clique provoked a war of aggression against our Republic. Our people's war of national liberation, which lasted three years, was a fierce fight which determined our fatherland's destiny. It was also a great test of the vitality of our young Republic and the people's democratic system.

Our people and officers and men of the People's Army heroically fought to defend the nation's dignity and sovereignty under the excellent and tested leadership of the respected and beloved leader Comrade Kim Il-song, who was the legendary hero, the ever-victorious iron-willed commander, and the great military strategist. Thus, they surmounted the most formidable trial that the fatherland ever had and honorably defended the glorious fatherland, the DPRK. Thus, they vigorously demonstrated their heroic mettle and fighting spirit.

The victory won by our people in the war to liberate the fatherland was the noble fruition of the great leader Comrade Kim Il-song's self-defending military ideology, creative strategies and tactics, and chuche-oriented military tactics and commanding art. The revolutionary achievements of the great leader Comrade Kim Il-song, who saved our fatherland from a grave crisis and opened the road of its bright future by leading the three year-long fierce war to victory, will be immortal along with the history of our fatherland.

For our people, the victory in the war to liberate the fatherland was a historic event which brought the second liberation to our nation and a brilliant military miracle in the 20th century which highly demonstrated our nation's dignity. Thanks to this victory, we were able to defend not only our national sovereignty, regained in the flames of anti-Japanese revolution, but also the revolutionary gains achieved in the building of a new society following national liberation.

Following the war our people firmly united around the party and the leader and, thus, excellently built on a land of ashes the fatherland of chuche that shines with independence, self-reliance, and self-defense and the prosperous popular mass-centered socialism of our own style. Since then, they have consistently struggled to turn the armistice into solid peace and to achieve the independent and peaceful reunification of the country.

The great leader Comrade Kim Il-song has taught: "The government of our Republic and our people have regarded sovereignty as their life, and they are filled with the firm resolution and preparation to defend the fatherland's freedom and sovereignty from any form of aggression."

Our Revolutionary Armed Forces — which defeated two imperialist countries in one generation under the excellent leadership of the great leader Comrade Kim Il-song — have smashed at every phase the imperialist reactionaries' maneuvers to crush our Republic and firmly defended the socialist fatherland's security and dignity by upholding the great leader [yongdoja] Comrade Kim Chong-il as the supreme commander. Thus, our Republic has been demonstrating to the world its popular mass-centered socialism of our own style.

Our party and the government of Republic have promoted most reasonable and realistic proposals and policies in the past in an effort to improve DPRK-U.S. relations and North-South relations—which are in a state of confrontation—and to achieve peace and peaceful reunification for the country. They have made all possible sincere efforts for their realization. However, our just initiatives and sincere efforts have not born just fruits yet because of the U.S policy of regarding the DPRK with hostility and the South Korean ruling quarters' antipeace, antireunification, and antidemocratic maneuvers for confrontation and war.

The United States has been threatening our country's peace and obstructing our cause of reunification by force while enforcing the policy of interference and domination in South Korea. However, the "policy of force" is a legacy of the Cold War's era. Therefore, it cannot work in the face of our dignified people, who regard independence as life, nor can problems be solved with it.

If the United States really does not want the disaster of 25 June [the Korean War] to occur again on the Korean peninsula, it should rectify its old policy of approaching the question on Korea with force and should create trust between the DPRK and the United States by sincerely implementing the DPRK-U.S. agreed framework, and, thus, advance along the road of ending hostile relations.

If peace and security are to be preserved on the Korean peninsula, a new order should be established in Northeast Asia. Normalization of DPRK-U.S. and DPRK-Japan relations will contribute to stabilizing this region's situation. Furthermore, the military armistice system on the Korean peninsula is now paralyzed due to unilateral U.S. acts. These realities urgently demand that a new peace guaranteeing mechanism be established to prevent arms buildup and the recurrence of war and to guarantee solid peace and security on the Korean peninsula.

If the United States really supports our country's reunification and wants to advance along the road of guaranteeing peace, there will be no reason whatsoever for it not to accept our proposal on establishing a new peace guaranteeing system in place of the old armistice system.

The Korean War left us with the serious lesson that confronting fellow countrymen in collusion with outside forces, as the South Korean rulers do, is an act of national ruin that will create the national disaster of internecine war and will benefit only outside forces. The history of such a disaster should not be repeated.

Nevertheless, the Kim Yong-sam ring, which took office under the mask of a "civilian-led government," is tenaciously resorting to a policy of relying on outside forces, all the while dashing along the road of North-South confrontation and war. This runs counter to our sincere efforts toward, and our fellow countrymen's desire for, national reconciliation and the country's peace.

The Kim Yong-sam ring, which has completely frozen North-South contacts and dialogue, crying out for reunification through a northward invasion on the basis of "a free democratic system" while dashing along the road of arms buildup and adventurous war, went so far as to perpetrate the inhuman and barbarous act of aiming rifles at the painful bosoms of their fellow countrymen during their sudden mishap, rather than keep the etiquette of offering condolences. Thus, it has driven North-South relations into their worst state.

Acting as a shock brigade for the imperialist reactionaries' antisocialist and anti-Republic maneuvers, the puppet clique has perpetrated all sorts of last-ditch maneuvers to rupture the DPRK-U.S. talks held to solve the nuclear issue of the Korean peninsula, babbling about "military countermeasures," "international cooperation," and the like under the pretext of our nonexistent "nuclear suspicion."

Even today, when the DPRK-U.S. talks have been settled and the agreed framework has been made public and entered the implementation phase, the puppet clique tenaciously perpetrates the antinational act of hindering the implementation of the framework.

Recently, in a bid to attack our Republic, the Kim Yong-sam ring has staged in succession a large "joint military exercise by the Army, Navy, and Air Force" as well as new joint military exercises as a substitute for the "Team Spirit" joint military exercises.

In particular, the Kim Yong-sam ring has introduced large quantities of weapons and ammunition into the DMZ [demilitarized zone] near the Military Demarcation Line, turning this area into a fortress.

Reality shows that as long as the Kim Yong-sam ring is left intact, the nation's dignity and sovereignty cannot be realized in South Korea, and South Korea's independent and democratic development and the question of its reunification cannot be achieved.

Today, South Koreans from all walks of life are rising up in a struggle to make the upcoming "local autonomy elections" a judgment that will sum up the Kim Yong-sam ring's nation-selling and treacherous crimes, holding aloft the slogan of overthrowing the Kim Yong-sam "regime." This is just.

National reunification is a patriotic cause related to our nation's destiny. Therefore, it is the supreme task of the nation that should not be delayed even for a moment.

By upholding the reunification cause of the great leader Comrade Kim Il-song, the eternal sun and father of the nation, political parties, groups, and people of all strata in South Korea as well as overseas compatriots can firmly unite under the banner of 10-Point Program for Great Unity of the Whole Nation elucidated by the fatherly leader, and can vigorously wage a nationwide struggle to reunify the country by way of founding a confederal system on the basis of the three principles of national reunification, the common reunification program of the nation.

At present, all patriotic reunification forces at home and abroad should repel the challenge by all splittist forces with their united strength and celebrate the 50th anniversary of national liberation as the nation's common reunification festival. Thus, they should brilliantly make this year one in which a breakthrough is achieved for reunification in the 1990's.

Defending and developing our own style of socialism that our people themselves have chosen and built is a basic demand to deepen the country's peace and consummate the chuche cause.

All party members and workers should firmly unite as one around the respected and beloved leader Comrade Kim Chong-il, the great leader [yongdoja] of our party and people and the supreme commander of our revolutionary armed forces; they should effect new revolutionary upsurges on all fronts of socialist construction by upholding and following the party Central Committee's slogans published in connection with the 50th anniversary of the party's founding. Thus, they should make our country, our fatherland, richer; safeguard and defend our own style of socialism; and glorify the 50th anniversary of the party's founding as a great festival of victors.

At the same time, they should always enhance vigilance against the imperialists' and reactionaries' reckless maneuvers to crush our most superior socialism of our own style, and should organize and carry out their work and life in a militant and revolutionary manner.

Let us all uphold the great leader Comrade Kim Il-song's behests, firmly unite around the great leader Comrade Kim Chong-il as one mind, and thus vigorously fight to consummate the socialist cause and achieve the country's independent and peaceful reunification.

Rockefeller Delegation Arrives in Pyongyang

SK1907102595 Pyongyang KCNA in English 1015 GMT 19 Jul 95

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — A delegation of the Rockefeller Foundation of the U.S. led by its President Peter C. Goldmark arrived here today for a visit to the Democratic People's Republic of Korea on the invitation of the Korean Asia-Pacific Peace Committee.

The delegation consists of: Vice chairman: Robert A. Scalapino, trustee of the Asia Foundation of the U.S.;

Principals: Patricia Edgerton, president of the board of trustees of the W. Alton Jones Foundation of the U.S.; Yasuo Hori, executive director of the Japan Institute for International Affairs; Shinichi Ito, director of the international cooperation department of the National Institute for Research Advancement of Japan; Chimaki Kurokawa, managing director of the Toyota Foundation of Japan; J.P. Myers, executive director of the W. Alton Jones Foundation of the U.S.; K.A. Namkung, director of the Seton Hall Institute on Korean Affairs of Seton Hall University of the U.S.; Zhang Jiqiang, leadnet director of the Leadership for Environment and Development International, Inc.;

Staff: Gordon Flake, director of research and academic affairs of Korea Economic Institute of the U.S.; Rebecca Rittgers, senior program assistant for the international security program of the Rockefeller Foundation of the U.S.; and Scott Snyder, program officer of the U.S. Institute of Peace.

It was met at the airport by Yi Chong-hyok, vice-chairman of the Korean Asia-Pacific Peace Committee, and other officials concerned.

Mun Ik-hwan's Widow Tours Mt. Paektu Area

SK2007013795 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 19 Jul 95

[FBIS Translated Text] Pak Yong-kil, widow of Reverend Mun Ik-hwan, chairwoman of the 70 million Korean people's meeting for embracing national unification, co-chairwoman of the Family Movement for Realizing Democracy in South Korea, and presbyter, toured the Mt. Paektu area on July 18 and 19. She was accompanied by a Japan-resident Korean Chong Kyong-mo, representative of the magazine SSIALUI HIM, and Chang Chae-chol, chairman of the Korean Religionists Association.

She first visited the great leader President Kim Il-song's statue standing high on the banks of the Samjiyon pond, and laid flowers in respect and admiration. She inspected the three groups of sculptures — Admiration, Advance, and Capital Defense — around the Samjiyon Great Monument. She was deeply moved by the story of the great leader President Kim Il-song, who led the anti-Japanese great war to victory and achieved the historic exploits of fatherland liberation.

She wrote the following phrase on the visitors' book: Let us inherit the will of the warriors who devoted their lives for the fatherland liberation, and achieve a brilliant fatherland reunification.

[Dated] 18 July 1995,

[Signed] Spring Path, Pak Yong-kil.

She also visited the secret camp in Mt. Paektu, where the great leader General Kim Chong-il was born. She visited the house with a boundlessly solemn heart and laid flowers there. She was briefed on the birth of the great leader General Kim Chong-il as the shining loadstar of chuche Korea, and attentively inspected the relics preciously preserved in the house. She posed for a photograph to commemorate the visit.

She toured Mt. Paektu, the sacred mountain of the revolution. Up in the mountain bordering the DPRK and the PRC, she sang the song "Mt. Paektu," a popular song in South Korea, with a gust of passion, and shouted "Hurrah for reunification."

ROK Students Protest Kwangju Decision

SK2007044195 Pyongyang KCNA in English 0420 GMT 20 Jul 95

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — Hundreds of students in Kwangju, South Korea, thronged to the Kwangju District public prosecutor's office and the South Cholla provincial branch of the "Democratic Liberal Party" in protest against the puppet authorities' decision not to prosecute those related to the Kwangju massacre on the pretext of no right to arraignment, and staged a demonstration, according to a radio report from Seoul.

The students held demonstrations in different places of the city on the evening of July 18.

ROK Authorities Criticized for Sampoong

SK2007045795 Pyongyang KCNA in English 0447 GMT 20 Jul 95

["Inevitable Outcome of Antisocial Policy" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — Pyongyang-based newspapers today criticise the South Korean authorities for dragging out rescue operations in the wake of the collapse of the Sampung Department Store in Seoul, so that the loss of human lives is on the increase.

An analyst of NODONG SINMUN says:

This shows the Kim Yong-sam regime is a corrupt and incompetent group that is unable to deal with the collapse of a department store.

The South Korean rulers time and again suspended rescue operations on the ground that the operations were difficult and dangerous. They lent a deaf ear to the tearful request of the families of the victims for help. If there had been a will to save the victims, there would have been a way. They only attempted to install a sound detector and an endoscope, but stopped it for fear of follow-up collapse. As the rescue operations dragged on, those who could have survived, died.

Facts show the collapse of the department store is a product of the antisocial policy of the Kim Yong-sam regime. Corrupt politics led to the collapse of the department store and the death of a large number of people.

An analyst of MINJU CHOSON says:

When many people were on the point of death, buried in debris after the collapse of the department store, the South Korean authorities wasted time on pressuring people and business groups to contribute batteries, stretchers, bread, lorries and crane cars to the rescue operations. This is a deliberate act to kill those caught in the trap and an intolerable mockery of their families.

The South Korean people will certainly call the authorities to task and make them dearly pay for it.

South Solons Urge Abrogation of Japan Treaty

*SK2007101895 Pyongyang KCNA in English
1006 GMT 20 Jul 95*

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — Some 20 ruling and opposition "parliamentarians" of South Korea called a press conference on July 17 calling for the abrogation of the humiliating "Basic Treaty" between South Korea and Japan, according to a media report.

They said the "Basic Treaty" concluded in 1965 was a "graphic expression of sycophantic diplomacy" which pardoned Japan's crimes without holding it responsible for the provocation of the Pacific War and the colonization of the Korean peninsula.

They demanded that the unequal "treaty" be scrapped without delay.

Japan Urged To Face Comfort Women Issue

*SK2007110495 Pyongyang KCNA in English
1011 GMT 20 Jul 95*

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — Godofredo Garcia Rendon, a lawyer of Peru, recently published a press statement on Japan's postwar settlement and distributed it to lawyers and organisations of the world, according to a report.

The Japanese authorities are trying to console "comfort women for the army" only with money and, thus, liquidate its past and mislead the world opinion, the statement said.

It noted that the present Japanese Government can never evade the responsibility for the criminal acts committed by the past Japanese Government against the "comfort women for the army."

The statement said that the Japanese Government must not try to avoid the international responsibility by means of "public fund" but must beg a pardon of the victims and hold international responsibility.

Chinese Party Delegations Arrive in Pyongyang

*SK1907214095 Pyongyang KCNA in English
1504 GMT 19 Jul 95*

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — A delegation of the International Liaison Department of the Central Committee of the Communist Party of China led by its deputy head Liu Jingqin and a delegation of the Shandong Provincial Committee of the Communist Party of China led by its Deputy Secretary Lu Maozeng arrived here today by air.

Yang Hyong-sop Sends Greetings to Thai Solon

*SK1907213895 Pyongyang KCNA in English
1503 GMT 19 Jul 95*

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — Yang Hyong-sop, chairman of the Supreme People's Assembly of the DPRK, sent a message of greetings to Bun-ua Prasoetsuwan on his election as president of the Thai National Assembly.

The message expressed the belief that the friendly relations between the two national assemblies would further develop and wished him great success in his important and responsible work.

France-Korea Group Head Opposes Nuclear Dump

*SK2007102195 Pyongyang KCNA in English
1013 GMT 20 Jul 95*

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — Jean Francois Rua [spelling of name as received], chairman of the Puy Do Dome Departmental Committee of the France-Korea Friendship Association, denounced the South Korean authorities for scheming to build a nuclear waste dump on Kurop Islet.

In a letter to the puppet South Korean ambassador to France he said that the selection of Kurop Islet as a nuclear waste repository is very dangerous in view of natural and geological conditions, sea current and sea transport conditions and possible earthquake in particular.

He demanded that the South Korean authorities stop this dangerous act at once.

Friendship Group Formed With Sao Tome

*SK2007101995 Pyongyang KCNA in English
1009 GMT 20 Jul 95*

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — An inaugural meeting of the Sao Tome and Principe-Korea Friendship Association was held in Sao Tome on July 4.

Leonel Mario da Alva [spelling of name as received], chairman of the Democratic Convergence Party and Reflexion Group and former president of the National People's Assembly of Sao Tome and Principe, was elected chairman of the association.

A letter to the great leader Comrade Kim Chong-il was adopted at the meeting.

Bangladesh Delegation Leaves Pyongyang

SK1907045195 Pyongyang KCNA in English 0407 GMT 19 Jul 95

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — The delegation of the Bangladesh National Socialist Party led by General Secretary Hasanul Huq Inu left here for home on July 18 after paying an eight-day visit to Korea.

It was seen off at the airport by Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea.

Kim Chong-il Receives Messages From Abroad

SK2007045195 Pyongyang KCNA in English 0414 GMT 20 Jul 95

[Names of party and movement leaders as received]

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — The great leader Comrade Kim Chong-il received messages on the first anniversary of the death of the great leader President Kim Il-song from Yasir 'Arafat, president of the state of Palestine, chairman of the Executive Committee of the Palestine Liberation Organization and head of the Palestinian National Authority; Muhammad Husni Mubarak, president of Egypt; Gnassingbe Eyadema, president of Togo; Khaled Bensmain, general secretary of the Movement for Democracy in Algeria; Samboram Shrestha, general secretary of the Central Committee of the Nepal Communist League; Ruben Maria Vera, chairman of the March 26 Movement of Uruguay; Krishna Prasad Battaray, president of the Central Executive Committee of the Nepal Congress Party; Youssef Amin Wali, general secretary of the Egyptian National Democratic Party; Dama Dramani, general secretary of the Togolese People's Rally; Abdel Hamid Mehri, general secretary of the Central Committee of the Algerian National Liberation Front; Kwesi Pratt, general secretary of the Popular Party for Democracy and Development of Ghana; Huudu Yahaya, general secretary of the National Democratic Congress of Ghana; El Hadj Boubacar Biro Diallo, general secretary of the Party for Unity and Progress of Guinea; Nir Mal Sen, general secretary of the Central Committee of the Workers and Peasants Socialist Party of Bangladesh; Indalicio Sayago Herrera, general secretary of the Central Committee of the Socialist People's Party of Mexico; and Genaro Ledesma Izquieta, chairman of the People's Front of Workers, Peasants and Students of Peru.

The messages express heartfelt reverence for President Kim Il-song, who devoted his whole life to the country's progress and development and to the people's wellbeing. They sincerely hope that Comrade Kim Chong-il will wisely lead the Korean people to make great achievements in accomplishing the revolutionary cause started by President Kim Il-song.

Foreign Papers Carry Kim Chong-il Work

SK1907213695 Pyongyang KCNA in English 1501 GMT 19 Jul 95

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — The gist of "Giving Priority to Ideological Work is Essential for Accomplishing Socialism," a famous work of the great leader Comrade Kim Chong-il, was carried by the Bangladeshi papers NATUN BANGLA and JANATA, the Laotian paper PASASON and the Ghanaian paper WEEKLY SPECTATOR.

The British paper ASIAN TIMES and the Nepali paper NEPAL NEWS carried the gist of the work with portraits of Comrade Kim Chong-il.

In the preface NEPAL NEWS said Comrade Kim Chong-il is a genius of ideology and theory, a great thinker and theoretician who has developed and enriched the chuche idea. In the past he has authored and published a large number of theoretical works on the chuche idea, it added.

Kim Chong-il's Analysis of Ideology Work Cited

SK1907104095 Pyongyang KCNA in English 1025 GMT 19 Jul 95

["Perfect Exposition of Essence of Ideological Work" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — The great leader Comrade Kim Chong-il in his famous work "Giving Priority to Ideological Work is Essential for Accomplishing Socialism" scientifically analysed the valuable experience of the Korean revolution and the historical lesson of the international communist movement with his distinguished ideological and theoretical intelligence and clairvoyant penetration and, on this basis, newly formulated the essence of ideological work of a working-class party scientifically, says NODONG SINMUN in a signed article today.

The paper quotes Comrade Kim Chong-il as saying:

"The ideological work of the working-class party, which fights for socialism, is an ideological and theoretical undertaking to develop socialist ideology in depth in order to meet modern-day requirements and those of the developing revolution. The working-class party's ideological work is also education for inculcating socialist ideology in the popular masses."

The paper further says:

Ideological work of the working-class party is, by nature, an ideological and theoretical undertaking and ideological education.

Above all, this ideological work is an ideological and theoretical undertaking to develop in depth socialist ideology to meet the modern-day requirements and those of the developing revolution.

A correct guiding ideology and theories enable the working-class party to indicate the popular masses a clear fighting target and orientation and ways for their realisation and powerfully organise and mobilise broad segments of people to the accomplishment of socialism.

With the revolution and construction constantly developing in depth and many new theoretical and practical matters cropping up, the present time calls for deepening and developing socialist ideology and theories. In approaching the existing theories, the working-class party should assess what times they reflect and what are their premises and creatively develop them in such as way as to meet the specific realities and characteristics.

Ideological work of the working-class party, which fights for socialism, is also an ideological education to arm the popular masses with socialist ideology.

The driving forces of socialist construction are the popular masses armed firmly with socialist ideology.

To establish a socialist government and socialist economic system and manage them well is unthinkable without them.

The decisive factor in the development of socialist society and its destiny is the popular masses armed with socialist ideology under any circumstances. Therefore, the working-class party should have a correct guiding ideology and theories for accomplishing socialism and, at the same time, successfully conduct the ideological education to arm the people with them.

With the essence of ideological work expounded for the first time in history, a fundamental cornerstone has been laid to evolve and systematize the revolutionary theory of the working class on ideological work in a comprehensive way and a guiding principle been provided to conduct ideological work without any slightest deviation and vicissitudes.

The scientific formulation of the essence of ideological work by the great leader Comrade Kim Chong-il in the work is a scientific and theoretical summing up of his valuable experience accumulated while wisely leading socialism for a long period.

Kim Il-song Remembered on Death Anniversary

Foreign Papers Carry Articles

SK2007103295 Pyongyang KCNA in English 1022 GMT 20 Jul 95

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — Many newspapers of Russia, Bulgaria, Cambodia, Nepal, Mexico, India, Peru, Ethiopia, Tanzania, Bangladesh, Kazakhstan, Togo, Syria, Thailand, Nigeria, Mongolia, Yugoslavia, Jordan, Brazil, Iran and other countries dedicated special write-ups to the first anniversary of the death of the great leader President Kim Il-song.

They printed portraits of President Kim Il-song and carried his brief biography.

They also printed pictures showing his unremitting revolutionary activities and edited articles highly praising his greatness and feats.

Articles said President Kim Il-song, with the 20th century, devoted his all to the Korean revolution and the independence of the world and his life was one of an outstanding leader, an elder statesman of the world and the greatest revolutionary who added lustre to the present time.

The Bulgarian paper TRIBUNA June 29 carried articles under the blockletter title "First Death Anniversary of Comrade Kim Il-song" with a picture of President Kim Il-song discussing state affairs with the great leader Comrade Kim Chong-il.

In an article titled "Great Revolutionary of the 20th Century" the paper said there is no head of state in the world but Comrade Kim Il-song who finished everything before he died in harness.

The Nepalese paper RISING NEPAL July 8 devoted one whole page to a special write-up under the blockletter title "The Great Leader President Kim Il-song Will Always Be With Us." It printed pictures of President Kim Il-song and Comrade Kim Chong-il seeing a layout of the construction of Pyongyang and seeing rolling stocks, and pictures of President Kim Il-song discussing farming work with cooperative farmers and being among children.

The paper carried the words of "Song of General Kim Il-song."

The Russian paper PRAVDA July 8 in an article titled "Believing in the People as in Heaven" said Comrade Kim Il-song was one of the leaders of the international communist movement and labour movement and a legendary man who bequeathed rich theoretical and practical inheritance in the world history.

The paper ROSSIYSKAYA PRAVDA No. 13 in an article titled "Seed of New Century" said it is the greatest one of Comrade Kim Il-song's feats that he successfully solved the continuity of the revolutionary cause in his lifetime. Comrade Kim Chong-il, the faithful successor to him, is defending his idea and steadily advancing the socialist cause.

The Cambodian paper PRACHEACHON July 1 wrote that His Excellency Kim Il-song illumined the way to be followed by humankind like the sun and the line and policies he shaped always proved successful.

Special editions on the first anniversary of his death were carried also by papers of Guinea, Mali, Ghana, Zaire, Zimbabwe, Indonesia, Pakistan, Egypt, Malaysia, Guyana, Finland, Laos and Slovakia.

On the same occasion, special programs on the imperishable revolutionary feats of President Kim Il-song were broadcast by Zimbabwean Televisions Nos. 1 and 2, Belgrade TV of Yugoslavia, Radio FM 90 and Khmer TV of Cambodia, radio and TV of Equatorial Guinea, Radio Dunia and TV of Senegal, radio and TV of Pakistan, BBC of Britain and radios and televisions of Togo, Uganda, Angola, Tanzania and other countries.

Foreign Groups Honor Memory

SK1907101695 Pyongyang KCNA in English 1005 GMT 19 Jul 95

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — Memorial services for the great leader President Kim Il-song on the first anniversary of his death were held by the Danish Communist Party (Marxist-Leninist), the Central Committee of the Workers' Party of Bangladesh, the Senegalese National Federation of Workers, the Zambia-Korea Friendship Association, the Lagos University, Nigeria, the Delhi, India, Society for the Study of the Chuche Idea, the Jordanian Centre for the Study of Independence, the Addis Ababa, Ethiopia, Group for the Study of the Chuche Idea, the Tanzanian National Coordinating Committee of the Chuche Idea Study Groups, the Kim Il-song Institute of Agricultural Science in Guinea, the long live General Kim Chong-il get-together in Benin, the Ireland-Korea Friendship Association, the Malian Youth Independent Revolutionary Front and the mass gymnastic display creative group of the Ministry of Sports, amusement and culture of Zimbabwe and at the "House of Workers" in Iran.

Floral baskets and bouquets were placed before portraits of President Kim Il-song at the places of the memorial services.

The memorial services were attended by political, public and academic figures, men of the press, followers of the chuche idea and other peoples of those countries.

The participants observed a moment's silence in memory of President Kim Il-song.

The speakers at the memorial services said President Kim Il-song was the great leader of the world's oppressed people and the supreme model of great revolutionaries and communists.

They also said the great President Kim Il-song is immortal in the hearts of humankind for his undying feats for the Korean revolution and the independence of the world.

Memorial services were also held in Yugoslavia, Poland, Algeria, France, Britain, Nepal, Guyana, Togo, Libya, Venezuela, Nigeria and Slovakia, a memorial meeting for praying for the immortality of President Kim Il-song at Santamaria Leida Church in Lima, Peru, a memorial evening in Egypt and a roundtable talk in Tanzania.

Praise From Mongolian, Maltese

SK1907103095 Pyongyang KCNA in English 1010 GMT 19 Jul 95

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — A retired Lieu. Gen. Zh. Zhamiyan, a labor hero of the state of Mongolia, and Emmanuel Haber, chairman of the Malta-Korea Friendship Association, gave answers to questions raised by the director of the editorial board of the Korean Central News Agency on the first anniversary of the death of the great leader President Kim Il-song.

Zh. Zhamiyan said His Excellency Kim Il-song was a great man with the most distinguished intelligence, matchless grit, profound knowledge, extraordinary insight, broad-minded magnanimity, paternal tolerance, noble characters, modesty, simplicity and all other noble qualities and dignity a great man should have.

"Only in Korea it is possible to see that the people steadfastly carry forward the cause started by their leader," he said, and continued:

"His Excellency Kim Chong-il, the dear leader of the Korean people who has fully inherited the idea, leadership and personalities of His Excellency Kim Il-song, is a great man who is devotedly working for the prosperity of the country and the nation with rich theoretical and practical experiences, smashing every one of the moves of the imperialists."

Emmanuel Haber said President Kim Il-song was most prominent in noble virtues, clairvoyance, political ability, grit, devotion, wise leadership and all other aspects.

"I am convinced that only His Excellency Kim Chong-il can develop and enrich the chuche idea, achieve national reunification and lead the Korean people to the highest peak of happiness," he said.

PRC Delegation Visits Statue

SK2007045095 Pyongyang KCNA in English
0418 GMT 20 Jul 95

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — A delegation of the International Liaison Department of the Central Committee of the Communist Party of China led by its deputy head Liu Jingqin visited the statue of the great leader President Kim Il-song on Mansu Hill on July 19, laid a bouquet before it and made a bow.

Prior to it, Leu Pannakal, director of the General Film Bureau of Cambodia, and his party and a delegation of the German Asia-Pacific Business Association led by Georger Kurt [name as received] laid bouquets before the statue of President Kim Il-song and made a bow.

Korean-Japanese Visit Kumsusan

SK2007044295 Pyongyang KCNA in English
0408 GMT 20 Jul 95

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — A delegation of journalists of the General Association of Korean Residents in Japan (Chongnyon), home-visiting groups of Korean students from Japan, the 240th short-term home-visiting group of Koreans from Japan and other Koreans from Japan on July 19 visited "Kumsusan Memorial Palace", the supreme holy house of chuche, yearning for the great leader President Kim Il-song and paid homage to his statue in deepest reverence. They are staying in the socialist homeland.

The compatriots made bows to President Kim Il-song who is preserved in state in the supreme holy house of chuche.

Yi Chong-no, advisor to CHOSON SINBO under Chongnyon, wrote in a visitor's book that Chongnyon has no problem as it is guided by respected General Kim Chong-il. The compatriots are firmly resolved to accomplish the chuche revolutionary cause, upholding the great general, he added.

Chairman of the Fukuoka prefectural headquarters of Chongnyon Kim Yong-hak said: I saw the father Generalissimo Kim Il-song, for whom I had yearned even in a dream, at "Kumsusan Memorial Palace", the supreme holy house of chuche provided by respected General Kim Chong-il.

We will carry out with honor the sacred mission and task of Chongnyon in achieving the reunification of the country in the 90s, he noted.

Norwegians Visit Kumsusan

SK2007044895 Pyongyang KCNA in English
0416 GMT 20 Jul 95

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — The friendship visiting group of the Norwegian Communist Party led by Dag Norum, international secretary of the party Central Committee, on July 19 visited "Kumsusan Memorial Palace" and expressed reverence for the great leader President Kim Il-song.

The guests made a bow to President Kim Il-song who is preserved in state.

The head of the visiting group wrote in the visitor's book that the respected leader President Kim Il-song will be immortal with "Kumsusan Memorial Palace" for his great feats in founding the immortal chuche idea and leading socialist construction in Korea to a brilliant victory.

Working People Visit Kumsusan

SK1907051395 Pyongyang KCNA in English
0425 GMT 19 Jul 95

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — Working people from all walks of life continue to visit "Kumsusan Memorial Palace", the supreme holy house of chuche, yearning for the great leader President Kim Il-song.

On July 16 and 18, officials of the Ministry of City Management, the Ministry of Commerce, the Central Public Prosecutor's Office, the General Press Bureau, Kim Il-song Higher Party School, the Workers' Party of Korea Publishing House, the Grand People's Study House, and other ministries of the Administration Council and national organs, officers and men of the People's Army and working people of different districts in Pyongyang visited "Kumsusan Memorial Palace" to pay homage to President Kim Il-song.

They made bows to President Kim Il-song, a great revolutionary and a great man, with deep reverence.

They took a firm pledge before President Kim Il-song to accomplish the chuche revolutionary cause, the revolutionary cause of the president, holding the great leader Comrade Kim Chong-il in high esteem with a single heart.

Death of Vice Marshal Kim Pong-yul Announced

Radio Announcement

SK1907233895 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 19 Jul 95

[FBIS Translated Text] Obituary of Comrade Kim Pong-yul:

Comrade Kim Pong-yul, member of the Central Committee of the Workers Party of Korea [WPK], member of the DPRK National Defense Committee, vice minister of People's Armed Forces, and vice marshal of the Korean People's Army, regretably died of an incurable disease at 1430 on 19 July 1995 at the age of 77.

During the Japanese imperialists' colonial rule Comrade Kim Pong-yul lived in a foreign land for a long time, bearing the sorrow of a ruined people. Following the liberation, he was embraced by the great leader Comrade Kim Il-song and brought up as a competent commander of the People's Army. He devotedly struggled to strengthen the party's revolutionary Armed Forces and firmly solidify national defense. During the time of the construction of a new fatherland, the comrade upheld the army building line presented by the great leader Comrade Kim Il-song, built up regular revolutionary forces, and actively struggled to defend the revolutionary base in the northern half of the Republic.

During the fatherland liberation war against the armed aggression by the U.S. imperialists, the comrade devotedly made strenuous efforts to strengthen the might of our revolutionary forces at an important post of the People's Army. He contributed to guaranteeing victory in war by organizing and controlling the soldiers to destroy the enemy. After the war, the comrade worked for a long time at important posts of the Armed Forces organizations, implementing the chuche-oriented military line. He devoted all his wisdom and energy to strengthen and develop our People's Army.

Upholding the policy of modeling the entire Army after chuche, the comrade firmly armed the People's Army with our party's revolutionary ideology, and actively contributed to strengthening the People's Army as a matchless and ever-victorious revolutionary Army with chuche-based military science and technology. The comrade was endlessly loyal to our party until the last moment of his life, and devoted his everything to implement the party's military line and policy.

Even though Comrade Kim Pong-yul has died, his achievement of struggle for our party, fatherland, and people will remain for a long time.

[Dated] 19 July 1995

[Signed] WPK Central Committee, WPK Central Military Commission, and DPRK National Defense Committee.

KCNA Reports

SK2007043995 Pyongyang KCNA in English 0430 GMT 20 Jul 95

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — Vice marshal of the Korean People's Army Kim Pong-yul, member of the Central Committee of the Workers' Party of Korea [WPK], member of the National Defence Commission of the DPRK and vice-minister of the People's Armed Forces, died of an incurable disease at the age of 77 on July 19, 1995.

The WPK Central Committee, the Central Military Commission of the WPK and the National Defence Commission of the DPRK published an obituary of Kim Pong-yul on July 19.

The obituary reads in part:

Comrade Kim Pong-yul had lived in an alien land for a long time with the sorrow of a stateless person during the Japanese imperialists' colonial rule over Korea. After the country was liberated, he grew up to be an able military commander of the People's Army in the bosom of the great leader Comrade Kim Il-song and devotedly struggled to strengthen the Revolutionary Armed Forces of the party and consolidate the nation's defence capabilities.

He acted as the deputy artillery commander of the first division from September 1946 and as chief of the staff of the Artillery Commanding Department of the Ministry of National Defence. During the fatherland liberation war (June 25, 1950-July 27, 1953), he acted as the deputy artillery commander of the front headquarters and the artillery commander of the supreme command. Thus, he made contributions to the strengthening of the People's Army and winning victory in the war.

During the postwar period, he took responsible posts of the People's Army including the first deputy chief of the general staff of the Korean People's Army and a vice-minister of national defence. It was from December 1972 that he acted as a vice-minister of the People's Armed Forces.

He was elected alternate member of the party Central Committee in April 1956 and then member of the party Central Committee. He had been deputy to the Supreme People's Assembly of the DPRK since October 1962.

On April 20, 1992, he was awarded the title of vice marshal of the Korean People's Army. The funeral for the late Kim Pong-yul will be held as a state funeral.

A 22-member state funeral committee was formed. Among them are Choe Kwang, Yi Ul-sol, Paek Hak-nim, Kim Ik-hyon, Kim Kwang-chin and Choe In-tok.

The coffin of the deceased will be carried out on July 21.

Kim Chong-il Sends Wreath

SK2007110095 Pyongyang KCNA in English
1032 GMT 20 Jul 95

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — The great leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army [KPA], today sent a wreath to the bier of KPA Vice Marshal Kim Pong-yul, member of the Central Committee of the Workers' Party of Korea, member of the National Defence Commission of the DPRK and vice-minister of the People's Armed Forces, expressing deep condolences on his death.

State Funeral Committee Formed

SK2007000795 Pyongyang Korean Central
Broadcasting Network in Korean
2100 GMT 19 Jul 95

[FBIS Translated Text] An announcement of the Central Committee of the Workers Party of Korea [WPK], the WPK Central Military Commission, and the DPRK National Defense Committee:

1. The funeral for the late Comrade Kim Pong-yul will be held as a state funeral.

2. Members of the state funeral committee for the late Comrade Kim Pong-yul are: Comrades Choe Kwang, Yi Ul-sol, Paek Hak-nim, Kim Ik-hyon, Kim Kwang-chin, Choe In-tok, Yi Tu-ik, Yi Ha-il, Kim Tu-nam, Yi Pong-won, Kim Myong-kuk, Cho Myong-nok, Kim Il-chol, O Yong-pang, Pak Ki-so, Kim Chong-kak, Yi Pyong-uk, Chong Chang-yol, Kim Ha-kyu, Hyon Chol-hae, (Pak Chae-kyong), and Kim Tae-sik.

An announcement of the state funeral committee for the late Comrade Kim Pong-yul:

The bier of the late Comrade Kim Pong-yul is laid in state at Sojang Club in Potonggang District, Pyongyang. Visitors will be allowed to pay final respects to the departed beginning at 1000 on 20 July. The bier of the deceased will depart for the funeral at 1000 on 21 July.

Unity for Sake of Reunification Urged

SK1907130395 Pyongyang Korean Central
Broadcasting Network in Korean
0650 GMT 19 Jul 95

[Unattributed talk: "We Should Unite With the Principle of Subordinating Everything to the Cause of National Reunification"]

[FBIS Translated Text] To achieve the great unity of the whole country, the general goal and ideological basis of the great unity of the nation should be clearly defined and at the same time, the principle of great unity should be precisely established.

This has emerged as an even more urgent issue under the practical condition in which different ideas and systems exist in the North and the South.

In the 10-point programs of great unity of the whole country for national reunification, the great leader Comrade Kim Il-song, the sun and father of the nation, promoted coexistence, co-prosperity and common interests and subordination of everything to the cause of national reunification as the principle for the great unity of the whole country. Thus, he opened a most just road for realizing the great unity of the nation.

The great leader Comrade Kim Il-song has taught: The North and the South should recognize and respect the existence of mutually different ideas, ideals, and systems and should not infringe upon the other side, but should jointly seek progress and prosperity. They should first seek the interests of the whole country before regional and class interests, and should direct all efforts to achieve the cause of national reunification.

What is important in achieving the great unity of the whole country is for the North and the South to recognize and respect the existence of mutually different ideas, ideals, and systems and to jointly seek progress and prosperity, not infringing upon the other side.

In the long period since the 15 August national liberation, mutually different systems have existed in the North and the South and mutually different ideas dominated them.

To achieve national unity and national reunification under this condition, one should not absolutize the idea and system of one side.

Since the whole nation unanimously recognizes national reunification as the ultimate task, the difference in ideas and systems cannot work as a condition that makes reconciliation and unity for reunification impossible.

Although our nation has been divided into North and South, it is a homogeneous country that has inherited the same bloodline, the same language, and the same cultural tradition for a long period of 5,000 years. Although their ideas, ideals, and systems are different from each other, they are fellow countrymen who should jointly live on the same land.

With a homogeneous blood relationship and a common language and culture, which has existed for several thousands of years, our fellow countrymen have been connected with ties that cannot be severed by anything.

Furthermore, the complicated and acute situation at home and abroad that faces our nation has raised the very serious question as to whether our fellow countryman should maintain national division, which was enforced by outside forces, and fall victims to outside forces due to hostility and confrontation between the same people, or whether we should maintain the dignity of the homogeneous people in unity and jointly open the road for national reunification.

The North and the South should recognize and respect the ideas, ideals, and systems that exist in the other side. Based on this, they should unite with each other, not infringe upon the other side, and should seek common progress and prosperity by jointly existing and jointly promoting national interests. This is the only way for our nation and fellow countrymen to survive.

What is also important in realizing the great unity of the whole country is to promote the interests of the whole country before the regional and class interests and to direct all efforts to achieve the cause of national reunification.

The cause of national reunification is a pannational cause for realizing the independence of our nation and the driving force of national reunification is the entire Korean people.

The Korean people, whether they are in the North, the South, or overseas and regardless of difference in class, ideas, political views, and religion, have the lofty national mission to dedicate their strength and wisdom to the cause of national reunification as the masters of national reunification.

The success of the cause of national reunification depends on how compatriots in the North, the South, and overseas, as well as the people from all walks of life, unite themselves and how they struggle.

To realize the great unity of the whole country, compatriots from all walks of life in the North, the South, and overseas should give priority to the common interests of the nation and subordinate everything to the cause of national reunification, transcending difference in ideas, ideals, systems, and religion.

The common national desire for achieving national reunification as one nation is far more important than the interest of individual class and circle.

It is important to protect the idea and ideal of individual class and circles and to guarantee their interests. However, what is more important than this is to achieve the common cause of the nation.

Class and circles are part of the nation. Therefore, no class and no circles can realize their interests apart from the common interests of the nation.

Only when the nation exists, can the class and circles exist, and only when the interests of the nation are ensured, can the interests of the class and circles be ensured.

If one ignores the destiny and interest of the whole country, being enslaved to minor, partial interests and to the idea of maintaining existing interests, one will not be able to the defend minor interests and destiny even of a partial group, not to mention the destiny and interest of the whole nation. This will only work to help the aggressive policy of outside forces to make all of our people colonial slaves by dividing our nation and by making the people antagonistic and confrontational to each other.

The cause of national reunification is the common cause of the nation. If our people fail to make efforts for national reunification based on the principle of giving priority to the common interest of the nation; if we give priority to regional and class interests over the national interest; and if we replace the struggle to achieve national reunification with the struggle to realize the class demand, we will never be able to achieve reunification. Rather, this means that we will commit a grave crime before the nation and state.

The principle of promoting coexistence, co-prosperity, and common interests and subordinating everything to the cause of national reunification is the basic principle of great unity of the whole country, which thoroughly reflected the desire of the nation and common national interests. This principle firmly ensures the safeguarding of the whole nation, as well as parts of the nation, before aggression and threat by outside forces that are trying to realize aggressive aims by planting the seeds of discord within the nation.

The principle also enables the whole nation to eliminate regional and class barriers and to rise unanimously in the struggle for the independent reunification of the nation with awareness and a sense of responsibility as the masters of the nation's common cause. This principle is a just one enabling us to turn the cause of national reunification into a pannational work and to expedite the cause of national reunification through a pannational struggle.

If our fellow countrymen, who lived a long history of 5,000 years as homogeneous people and who should live permanently as homogeneous people, unite with the principle of subordinating everything to the cause of national reunification — the nation's common interest — we can establish a unified national state in a confederal system that will enable us to promote coexistence, coprosperity, and common interests without harming either side or anyone by leaving intact the existing two systems and two governments in the North and the South.

Daily Criticizes Former Socialist Countries

SK1807235095 Pyongyang NODONG SINMUN in Korean 13 Jun 95 p 6

[Article by Choe Hak-chol: "Bourgeois Rehabilitators' Maneuvers To Introduce the Capitalist Market Economy"]

[FBIS Translated Text] In various countries where socialism collapsed, an economic catastrophe has continued, and the people have been suffering pains from unemployment, taxes of various sorts, ever-higher prices, and the lack of social policy. This is an entirely inevitable result of the collapse of the socialist economic system and the introduction of the market economy.

The bourgeois rehabilitators, engrossed in the capitalist economic system, totally rejected the socialist economic management system and introduced a capitalist market economy.

The bourgeois rehabilitators have openly maneuvered to introduce the capitalist market economy ever since they began so-called "restructuring" and "reform."

What the bourgeois rehabilitators first sought in introducing the market economy was to weaken the state guidance of and control over the economy and, in the long run, reject them outright.

The great leader Comrade Kim Chong-il has pointed out:

"If individual enterprises seek independence and their own economic interests and reject state guidance and control, this will eventually destroy the socialist economic system and revive the capitalist market economy."

Ensuring unified state guidance and managing and operating the economy in a planned way under state guidance is a lawful requirement for developing the socialist economy. This is because the people own the means of production, because the country's economic potential can be tapped to the utmost only under unified state guidance, and because the economy can be developed quickly in compliance with the popular masses' independent demands and interests.

However, the bourgeois rehabilitators distorted facts, as if a series of defects and "stagnation" emerged in the course of the socialist economic management because of the unified state guidance and operation of the economy in a planned way.

A series of defects emerged in the course of socialist economic construction in the former Soviet Union and the East European socialist countries, not because of unified state guidance of the economy, but because those countries ignored the objective principles of economic development and the actual circumstances and did not correctly manage and operate the economy. An important reason was that they abandoned education in the socialist ideas and inspired individualism.

Nevertheless, the bourgeois rehabilitators talked as if only the capitalist market economic system can rapidly develop the economy and solve all problems, and they opposed the unified state guidance of the economy. They did not mention that the capitalist market economy gives rise to a fierce struggle for existence, an economic chaos, massive unemployment, and social disparity in which "the rich get richer and the poor get poorer."

The bourgeois rehabilitators' ulterior motive was to paralyze the socialist state's guidance of and control over the economy by all means, introduce the capitalist market economy, crush the economic foundation of the socialist society, and, thus, rehabilitate capitalism.

The bourgeois rehabilitators used various mean ways to fulfill this goal.

They, first of all, began to crush the existing socialist economic management system and reduce state economic offices' authority. The bourgeois rehabilitators said that the socialist economic management system was "outdated and ended its existence" and sought to reform the system under the cloak of "restructuring." In the former Soviet Union, even at the early stage of "restructuring," five ministries and a committee, including the Ministries of Agriculture, Fruits and Vegetables, Rural Construction, and the Foodstuffs Industry and the State Agricultural Production Technology Committee, were combined into the State Agriculture and Industry Committee. Various central ministries were abolished, and the State Economic Committee was created. Numerous state economic guidance officials lost their jobs.

Of course, it is necessary to reorganize or integrate guidance offices, including central government offices, in the course of operating the socialist economy. However, this work must not weaken the state's function of guidance and control under any circumstances. Nevertheless, the bourgeois rehabilitators abolished and integrated ministries and committees. Their goal was to stop central guidance offices from intervening in state enterprises' production activities under the pretext of "simplifying" organizations and "establishing an economic and efficient management system." Because of the bourgeois rehabilitators' maneuvers, state economic guidance offices were completely separated from production activities and reduced to nominal offices that were "merely watching" production activities of low-level enterprises.

They made the empty remarks that under the socialist economic system, producers' "creativity would be suppressed" because enterprises have no freedom and, as a result, no economic development could be achieved. They also made state economic organizations powerless and gave more "freedom" to enterprises and complexes so that they could freely set their production quotas and dispose of products. In June 1987, the Supreme Soviet of the former Soviet Union adopted the "State Enterprises (Complexes) Law." The law pointed out that "enterprises will no longer rely on instructions from ministries and central organizations, and the state will not take charge of enterprises' production and management activities." Under this law, enterprises carry out "state plans" based on contracts signed with the state under the principle of the independent earnings and expenses guarantee system and the independent loans system. Also, enterprises send certain portions of incomes to the state and dispose of the remainders on their own. Thus the state is not responsible for losses enterprises may suffer and may allow enterprises to go bankrupt.

The adoption of this law completely tore down the state's unified control over overall economic activities, ranging from production, distribution, and bartering to consumption; the management of economic activities in a planned way; and the cooperative production system among areas of production, regions, and enterprises.

Enterprises were given unlimited freedom so that they could produce the items they chose and dispose of products at prices based on free contracts. This aggravated the economic chaos and stagnation. Enterprises mass-produced only profitable items and took no regard of collective production. As a result, many plants and enterprises ceased operating because of shortages of raw materials, materials, and parts.

The bourgeois rehabilitators also ignored the state's role in controlling prices and liberalized prices. When the countries where capitalism was revived were under socialism, the state controlled commodity prices, coordinated enterprises' production activities and thus constantly improved the people's lives. However, the bourgeois rehabilitators raved about the superiority of price liberalization, saying that only when prices were liberalized could enterprises make production "effective" and "vitalize" the economy. The document "Basic Direction for Stabilizing the People's Economy and Converting to the Market Economy," which the Supreme Soviet of the former Soviet Union adopted in October 1990, legally introduced price liberalization, conversion to private ownership, and the tax system.

To bring in a capitalist market economy, the bourgeois rehabilitators espoused private ownership of means of production, privatized plants and enterprises, and sold land to individuals.

Conversion to a capitalist market economy gave rise to unemployment, social disparity, low standards of living, increases in taxes, the destruction of social security systems, and other problems unthinkable in the socialist era. Therefore, people of countries where socialism collapsed say that the capitalist market economy is an antipopular economy and is only for a small number of privileged people. They yearn for the days when they enjoyed equal, stable, and harmonious lives under unified state guidance, and are standing up in the struggle to revive socialism.

Ideological Work Demand of Socialist Society

SK2007105695 Pyongyang KCNA in English
1030 GMT 20 Jul 95

["Ideological Work, Intrinsic Demand of Socialist Society" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — The great leader Comrade Kim Chong-il in his famous work "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism" evolved the idea that ideological work is an intrinsic demand of the socialist system itself.

In this connection, NODONG SINMUN today comes out with a signed article.

The paper quotes Comrade Kim Chong-il as saying:

"Without Ideological Work, It Would Be Impossible for Socialism To Emerge, Exist and Develop."

The author of the article says:

Ideological work is an intrinsic demand of socialist society itself because socialism is guided by socialist ideology and developed mainly by the impetus of this ideology.

That socialist society is built purposefully and consciously under the guidance of socialist ideology is one of the essential characteristics of socialist society.

Contained in socialist ideology are the essence of socialist society, its features, the law governing the development of socialist society, its strategies and tactics, principles and ways. Socialist ideology is a guideline which enables all the people to confidently advance toward a clear target and orientation. But for the guidance of socialist ideology, socialism which must follow an untrodden road cannot advance even a step.

Only when socialist ideology is developed and the political and ideological unity of the whole society is ensured by holding fast to the ideological work and constantly deepening it, can socialism successfully be built without any deviation.

Experience teaches a serious lesson that if ideological work is neglected or abandoned, socialism will be like a wrecked ship which is drifting after losing its compass.

Socialist ideology enables people to have a high sense of awareness and faith to devote their all to the development of socialist society. It also firmly unites all the people around the party and the leader ideologically and on the basis of comradeship.

If one is inclined only to economic construction or intends to set people in motion with money, not putting energies into ideological work among the people in keeping with the intrinsic demand of socialist society, it will produce very serious consequences.

If socialist society lays stress on financial or material incentives, not attaching a preferential importance to ideological work, it will foster individual egoism among people and degenerate the socialist system itself.

This is a stark truth proved by experience and lessons of various countries in the building of socialism.

Comrade Kim Chong-il's scientific evolution of the idea that ideological work is an intrinsic demand of socialist society is an undying exploit he performed in the cause of socialism.

South Korea

KEDO Chief Negotiating Team Visit to North

SK2007061395 Seoul YONHAP in English
0532 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — The chief of the international consortium responsible for the provision of nuclear reactors to North Korea is negotiating with the communist country to allow his South Korean and Japanese deputies to accompany him on a visit to the North to conclude the reactor contract, according to a source close to the North Korean nuclear reactor project Thursday.

Stephen Bosworth, executive director of the Korean Peninsula Energy Development Organization (KEDO), asked North Korea to allow him to visit along with his Deputy Chiefs Choe Yong-chin and Umezu Itaru in early August, he said.

Bosworth is waiting for a response from the North, he said.

KEDO also plans to include a few Korean nuclear engineers on the KEDO site survey team expected to visit the North separately in early August, the source added.

KAERI Dismisses Reactor Development Chief

SK1907113595 Seoul YONHAP in English
1055 GMT 19 Jul 95

[FBIS Transcribed Text] Seoul, July 19 (YONHAP) — The government Wednesday sacked an official at the Korea Atomic Energy Research Institute (KAERI), who is in charge of the development of the Korean standard nuclear power plants, raising suspicion that the dismissal might affect the projected provision of Korean reactors to the North, according to sources well versed in the North Korean light-water reactor project Wednesday.

"The dismissal of Yi Pyong-yong, chief of the North Korean reactor project at the KAERI, carries the possibility that South Korean-made reactors may not be furnished to North Korea in view of the fact that Yi had been a champion promoter of Korean reactors for the North in the course of nuclear negotiations," a source said.

According to the source, it was Yi who first raised the issue of providing Korean standard reactors to the North at the initial stage of the Pyongyang-Washington talks when South Korean and U.S. officials were considering providing American- or Russian-made reactors.

Yi recently expressed the fear that an American program coordinator, to be named by the Korean Peninsula Energy Development Organization (KEDO) soon, could work against the provision of South Korean-made reactors to the North as it has the technology for linear design of the reactors, core technology for the construction of the nuclear steam supply system.

The source said that the KAERI did not tell Yi why he was relieved of his post.

In a statement Wednesday on reports that scientists and government officials were at odds over the issue of providing Korean reactors to North Korea, a KAERI spokesman said that the KAERI has raised issues not to take an initiative in the North Korean reactor project but to preclude the possibility that the cause of providing

Korean reactors to the North might be undermined by foreign firms.

Removal Will Not Affect Project

SK2007111995 Seoul YONHAP in English 1109 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — The controversial removal of a key nuclear reactor engineer from a North Korean reactor project team would have no adverse effect at all on the projected provision of Korean standard reactors to North Korea, a senior Korea Electric Power Corp. (KEPCO) official said Thursday [20 July].

The remarks were made by Kwon Yong-mu, KEPCO managing director, as a controversy was escalating over the sacking Wednesday of Yi Pyong-yong, chief of the North Korea reactor project team at the Korea Atomic Energy Research Institute (KAERI).

KEPCO is set to be the main contractor in the supply of South Korean-style reactors to North Korea in a project to be financed by the Korean Peninsula Energy Development Organization (KEDO).

Kwon categorically rejected the assertion that removal of Yi might lead to a grave setback in the construction of South Korean standard light-water reactors in North Korea.

"Mr. Yi had been no more than the chief of a team involved in the linear design of nuclear energy reactors," Kwon said. "His absence would bring about no setback whatsoever in the North Korean reactor project."

The KEPCO official said it is understandable in some sense that Yi demanded the Korean standard reactors be built exclusively with South Korean expertise.

"But, the reality is that we are not able to build Korean standard reactors 100 percent with our own knowhow as reactors require a high degree of safety," Kwon said.

Noting that some reports erroneously indicated that the linear design of the reactors to be built in the North would be done by a foreign industry, Kwon said the linear design would be worked out by the KAERI as was the case with Yonggwang Plants Nos. 3 and 4 and Uljin Plants No. 3 and 4.

"Construction of Korean standard energy plants in North Korea would be just same as the erection of those in the South in every aspects except the location," Kwon emphasized.

Meanwhile, the KAERI said the removal of Yi from the headship of the North Korean reactor project was just a routine personnel action.

"His reassignment was planned long ago and he would be given a new duty at the KAERI," a KAERI official said.

The official denied that there have been disputes between the KAERI and KEPCO over the way the reactor project would be undertaken.

"We have simply expressed some opinions with respect to the reactor project inasmuch as we have been playing a key technical role in the construction of nuclear plants as the linear designer of Korean standard plants," he said.

The official went on to say that one of the opinions expressed was that no foreign industry should be allowed to interfere in the North Korean reactor project lest it should undermine the inherent purport of the project.

Another opinion aired, he said, was the fear that under the existing framework, the KAERI would have to be a mere sub-sub-contractor working for a subcontractor, Korea Heavy Industries Co., in which case, he said, it would be impossible for the KAERI to offer advice momentarily on problems that may arise in the course of reactor construction.

Yonggwang Unit 4 Starts Trial Operations

SK2007012795 Seoul THE KOREA TIMES in English 20 Jul 95 p 8

[FBIS Transcribed Text] The Yonggwang Nuclear Unit 4 went into trial operation yesterday, 45 days after the fuel loading process, the Korea Electric Power Corporation (KEPCO) said.

KEPCO official said the successful trial operation of the unit, constructed with standard Korean technology along with Yonggwang Nuclear Unit 3, will be a testimony to the superior level of domestic nuclear expertise.

Kim, Clinton To Support N-S Peace Regime

SK2007052895 Seoul YONHAP in English 0520 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — South Korea and the United States will reaffirm during a summit meeting between Presidents Kim Yong-sam and Bill Clinton slated for late June in Washington that a peace treaty to replace the current Korean Armistice Agreement should be made between South and North Korea, according to Foreign Minister Kong No-myong.

Dismissing reports that South Korea is preparing for a so-called two-plus-two peace treaty to be signed by South and North Korea, the United States and China, the two presidents will reaffirm that South and North

Korea should establish confidence before agreeing on any peace regime between themselves, according to Kong.

On the establishment of liaison offices between Pyongyang and Washington, Kong said, "There remain a lot of technical issues to be solved before the launch of the liaison offices," adding that the advances in relations between Pyongyang and Washington should progress in line with improvements in South-North Korean relations.

President Kim To Shorten Visit to U.S.

SK2007011795 Seoul THE KOREA HERALD in English 20 Jul 95 pp 1, 2

[By staff reporter Chon Si-yong]

[FBIS Transcribed Text] President Kim Yong-sam has cut short his forthcoming state visit to the United States, apparently mindful of the heavy backlog of a domestic agenda he has to cope with in the months to come and possible public criticisms about his overseas trip itself.

Kim, who had originally planned to visit the United States from July 22 to July 31, dropped Hawaii from his itinerary at the last minute. He will return home July 29.

According to Kim's travel plan announced by Chongwadae yesterday, Kim will visit San Francisco and Chicago on his way to Washington, where he will unveil a Korean War Veterans memorial and hold summit talks with U.S. President Bill Clinton July 27.

During his stay in the U.S. capital July 25-28, the South Korean President is also scheduled to address the joint session of Congress and receive an honorary doctorate at Georgetown University.

Kim's U.S. trip, arranged in time for the unveiling of the Korean War memorial, comes at a time when he has yet to overcome the shocks from a humiliating defeat in the June 27 local elections.

The Kim administration also is still being plagued by the collapse of Sampoong Department Store, the latest in a series of mass disasters which accelerated the downfall of its approval ratings.

The Sampoong collapse, which occurred just two days after Kim's ruling Democratic Liberal Party suffered a devastating election loss, is the worst peacetime disaster in Korean history. The death toll from the accident is expected to reach 500.

Kim, who usually gets the biggest blame for such mass accidents, had to hasten the legislation of a disaster control law which enables the central government to provide administrative and financial support for local governments' rescue and rehabilitation efforts.

Kim proclaimed the Sampoong area as a special disaster zone in accordance with the new law as late as yesterday, three weeks after the ritzy shopping mall caved in on more than a thousand shoppers and employees.

But it has yet to be seen whether the Presidential action will be able to allay the Sampoong victims' dissatisfaction with the rescue operations and other government reactions to the accident.

Some family members of the Sampoong victims criticized Kim last week for preparing for an overseas trip while rescue workers were still digging out survivors and bodies from the debris.

The fast developments on the South Korean political scene, largely prompted by the formal return to politics of Kim Tae-chung, the President's archrival, is also allowing him little free time.

Chongwadae officials would not give an official explanation about Kim's decision to skip a visit to Hawaii, where he was scheduled to tour the U.S. Pacific Fleet, but it may well illustrate that he is mindful of the difficult political position he has been thrown into.

Speculations are already rampant that President Kim will conduct a sweeping shakeup of his cabinet and senior Chongwadae staff and initiate other drastic measures next month in a bid to shake himself out of the entangled political situation.

The busy political schedule awaiting Kim has led him to leave his chief of staff, Han Sung-su, at home. Han, former ambassador to Washington, had been on the list of the President's official entourage, but his name was dropped after the local elections and the Sampoong collapse.

The 13 members of Kim's official entourage include Foreign Minister Kong No-myong, Trade Minister Pak Chae-yun, Amb. Pak Kon-u, Kim's chief economic advisor Han I-hon and foreign policy advisor Yu Chong-ha.

In addition, 38 business leaders will accompany Kim on his U.S. trip, according to the Chongwadae announcement. They include Ku Pyong-hoe, chairman of the Korea Foreign Trade Association; Choe Chong-hyon, chairman of the Federation of Korean Industries; Chong Se-yong, chairman of Hyundai Business Group; and Pak Yong-il, chairman of Dainong Business Group.

The top executives will participate in the annual meeting of the Korea-U.S. Business Conference in Washington July 23-24.

They also plan to hold a series of business negotiations with their U.S. counterparts in both Chicago and Washington.

Kim's other major schedules in the United States will include a speech to a dinner co-hosted by the Chicago Council of Foreign Relations and the Mid-America Committee in Chicago July 24.

He will host a reception in Washington for a group of prominent U.S. leaders on the eve of the dedication of the Korean War memorial July 26 and hold a breakfast meeting with Vice President Al Gore July 28.

Editorial Urges Revision of SOFA Agreement

SK2007091795 Seoul CHOSON ILBO in Korean 20 Jul 95 p 3

[Editorial: "Revision of the Statue of Forces Agreement Between the ROK and the United States"]

[FBIS Translated Text] The ROK and the United States have agreed to revise the ROK-U.S. Status of Forces Agreement [SOFA]. We welcome the U.S. recognition of the need to revise an agreement whose inequality has been the cause of the people's dissatisfaction. The SOFA is divided into two parts, the main agreement signed in 1967 and three supplementary documents. It was revised in 1991, but still contains unequal factors against our people, frequently infringing upon their pride. We expect a better agreement can be reached following its revision.

We appreciate the fact that the U.S. Forces stationed in Korea have contributed to the ROK's security. However, because of the inequality of the SOFA, some criminal acts have been committed by reckless U.S. soldiers who are then protected [by SOFA] and are not subject to ROK law. As a result, there is a tendency for the contribution by the U.S. Forces in Korea to the ROK's security to have faded. Therefore, the United States should show a sincere effort to revise the agreement. We believe crimes by U.S. soldiers in Korea will greatly decrease if we formulate an equal and reasonable SOFA system, because then they will worry about the punishment.

The current ROK-U.S. SOFA is very unequal against us compared to the agreements with NATO and Japan. The NATO agreement and the U.S.-Japanese agreement recognize the host country's right to arrest and investigate accused U.S. soldiers; on the other hand, we must transfer accused U.S. soldiers to the U.S. military authorities if so requested. We cannot exercise jurisdiction over accused U.S. soldiers if they flee to a U.S. base after committing a crime. The NATO agreement and U.S.-Japanese agreement have no limits on the prosecution's right of appeal. Also, they recognize as evidence statements made by accused U.S. soldiers in the absence of U.S. authorities; the SOFA with the ROK does not. Because of these unequal factors, there are many cases in which our people cannot be protected by our law when they become the victims of crime by U.S. soldiers.

We should formulate an agreement that will arouse people's dissatisfaction over its character, and should correct its deficiency and contradiction. The treatment of Korean workers hired by U.S. Forces in Korea should be improved. The environmental pollution by U.S. army bases in Korea should be settled in compliance with the trends of the times. Also, the U.S. should participate in revising the SOFA, being aware that the traditional ROK-U.S. friendship and relations can be consolidated only if a fair SOFA system is formed.

U.S. Will Not Propose Revisions

SK2007070295 Seoul YONHAP in English 0637 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — The United States does not plan to propose any revisions to the Status of Forces Agreement (SOFA) when the U.S. and Korean Governments meet to discuss amending the bilateral pact, the U.S. Embassy in Seoul said Thursday.

Steve Rounds, spokesman for the embassy said, "Since the impetus for talks is coming from the South Korean side, it is logical to think that the issues will be raised by them."

However, the spokesman added that the U.S. side may consider proposing changes, but admitted that a U.S. SOFA revision team has yet to be formed.

Seoul has already stated that it wants to discuss the articles concerning criminal jurisdiction, labor laws affecting citizens working for the United States Forces in Korea (USFK) and environmental regulations at USFK military installations.

Foreign Minister Kong No-myong and U.S. Amb. James Laney met Tuesday to express their opinions regarding the current SOFA and announced that the two sides will return to the negotiating table to officially review the agreement.

SOFA, which was implemented in 1967, was last revised in 1991 under Article 30 of the pact which allows either side to request further amendments.

UNC Rejects High-Level Talks With North

SK2007080195 Seoul YONHAP in English 0756 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — The United Nations Command (UNC) delivered a letter to its North Korean counterpart Thursday [20 July] rejecting a proposal for general-level talks at the truce village of Panmunjom.

Jim Coles, the United States Forces in Korea (USFK) spokesman, confirmed that a letter from the UNC to North Korea was scheduled for delivery Thursday, but said the contents of the correspondence and "working communications with the North" remain confidential.

Meanwhile, the USFK Public Affairs Office also announced the appointment of Maj. Gen. Nels Running as a member of the UNC Military Armistice Commission (MAC). Running will replace Rear Adm. Edison L. Watkins III, who has been reassigned to the United States. The appointment, made by the commander-in-chief of the UNC (CINCUNC) Gen. Gary Luck will go into effect July 28.

MAC is comprised of 10 senior officers, five of whom are appointed by the CINCUNC. Of those five, three are of general or flag rank and the other two are major generals, brigadier generals, colonels or their equivalents, the USFK statement explained.

Currently the United Nations side is headed by the Republic of Korea's Army's Maj. Gen. Hwang Won-tak. He was the first South Korean to serve as the senior member of the UNCMAC, sparking the North Koreans to protest the 1953 pact.

AmCham Wants Insurance Market Opened Further

SK2007012995 Seoul THE KOREA TIMES in English 20 Jul 95 p 9

[FBIS Transcribed Text] The American Chamber of Commerce in Korea (AmCham) said that the United States will press for further liberalization in Seoul's insurance market when President Kim Yong-sam takes a large team of officials to Washington next week.

Gary Coleman, a member of the AmCham Insurance Committee, said in the update on the Korean insurance market in its latest JOURNAL MAGAZINE that many American officials will press for further liberalization on insurance when they meet with their Korean counterparts during President Kim's visit.

He praised Seoul's recent efforts to liberalize the insurance market, adding that Korea's commitment to deregulation and liberalization is being driven by numerous forces.

First of all, the application for full membership in the Organization for Economic Cooperation and Development (OECD), filed in March, requires Korea to meet international standards in all financial services areas and this is particularly true for insurance, he said.

Korea's initial presentation on insurance at OECD hearings in Paris last December pointed out numerous inconsistencies and deficiencies by advanced global standards. Further hearings were held in May and will be held again in the fall, he said.

It is not merely coincidental that 65 insurance regulation changes and liberalizations were also announced concurrently with the filing of the application for full OECD membership, he added.

The positive momentum created will be further enhanced during the Korea-U.S. Business Council meetings late this July in Washington, he said, adding that insurance issues will be scheduled to be a featured topic.

North Delegate Explains Missed Talks

SK1907113995 Seoul YONHAP in English 1105 GMT 19 Jul 95

[FBIS Transcribed Text] Beijing, July 19 (YONHAP) — North Korea's chief delegate to the South-North rice talks here Wednesday explained to his South Korean counterpart about the failure to resume talks Tuesday afternoon, asking for the southern delegation's understanding of it.

Vice Finance and Economy Minister Yi Sok-chae, chief South Korean delegate, said Chon gave the explanation when he telephoned Chon to bid him a farewell around 11:20 AM prior to his return to Seoul.

"Mr. Chon's explanation was that he had to go to hospital because of wrenched ankle and two of his delegation members caught bad cold," Yi said.

During the telephone conversation, Chon suggested that Beijing be the tentative site of the third-round rice talks, saying he would let the South know the North's final choice of the venue after he consulted with Pyongyang authorities.

"Chon also pledged he would exert not redoubled but tripled efforts to return early to the South the crew persons of South Korean fishing boat Usong-ho seized by the North," Yi said.

Editorial Criticizes Lack of Progress at Talks

SK2007062295 Seoul TONG-A ILBO in Korean 20 Jul 95 p 3

[Editorial: "Imminent Failure"]

[FBIS Translated Text] The Beijing rice talks ended in vain. Admittedly, it is fortunate that the sides agreed to hold the third round of talks in Beijing on 10 August, but the complexity of North-South relations has become evident. In short, the talks showed how imprudent it was to expect pragmatic changes from North Korea.

The talks reportedly failed to make any progress because the ROK took the opportunity presented by the rice negotiations to propose broad discussions on North Korea's needs for economic cooperation, while North Korea insisted on limiting the agenda to the rice issue. The ROK expected that North Korea would naturally show a due response to the ROK's willingness to provide additional rice, and hoped that North-South relations would improved based on goodwill. However, the ROK people have witnessed numerous cases in which such hopes sank, and the Beijing talks were no exception.

Instead of an economics expert, North Korea sent a political relations expert to the Beijing talks. This sparked dire forecasts on the diversion of the direction in the talks. We do not fault the economic officials who had a rosy picture of North-South economic cooperation. However, it is deplorable that even high-ranking government officials discounted North Korea's reality. They should have exercised better judgment in surmising whether North Korea was organized enough internally to discuss economic cooperation with the ROK on a government level.

ROK companies should also wake up. The anxious attempts by ROK companies to individually contact North Korean delegates in Beijing hotels while North-South rice talks were underway were absolutely ridiculous. What were they thinking? Such an attitude causes North Korea to bypass the ROK Government to deal directly with the companies, creating two separate channels of contacts.

Taking the example of the Usong ship incident, it is a matter of course for North Korea to return the crew before the ROK takes steps to urge North Korea to make efforts. North Korea only repeated its position at the first round of rice talks: "We will try to return the crew as soon as the relevant agency finishes its investigation." The second round of talks also ended on a dubious note. The chief delegate was not even present. Working officials showed up to notify them of the date for the next meeting, and the chief delegate only confirmed this over telephone. This shows that North Korea's objective was not North-South dialogue, but using the ROK as a means for more easily receiving Japanese rice, which is scheduled to be shipped beginning 19 July.

The ROK cannot even refuse to hold a third round of talks because it wants to continue any form of North-South dialogue. Realizing that it is North Korea who should be anxious, the ROK Government and companies should establish a practical policy of not misleading North Korea or hindering progress.

Seoul To Deploy Peacekeeping Force to Angola

SK2007013395 Seoul YONHAP in English 0103 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — South Korea will dispatch a 200-strong army engineering unit to Angola in October as part of a United Nations Peacekeeping Force to help restore peace in the war-ridden African state, Foreign Ministry spokesman So Tae-won said Thursday.

An advance contingent will be sent to Angola as early as September, So said.

The United Nations plans to position 7,000 troops, 350 military observers and 260 police forces in Angola to monitor a peace treaty between the Angolan Government and rebel forces and to conduct humanitartian relief activities.

The government will also extend the mission of a 42-member medical team operating in the Western Sahara by one year, So said.

The National Assembly approved last Saturday the dispatch of peacekeeping forces to Angola and the one-year extension of the medical team's mission in the Western Sahara.

KBA Urges Reinvestigation of Kwangju Incident

SK2007082795 Seoul YONHAP in English 0747 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — The Korean Bar Association (KBA) urged the prosecution Thursday [20 July] to thoroughly reinvestigate the case involving the military's bloody suppression of the "May 18 Kwangju democratization movement" in 1980 by introducing a special prosecutor system.

The association issued a statement regarding the prosecution's earlier decision that it did not have the right to arraign those involved in the suppression, saying the decision is a measure that goes against the stream of history and indulges those involved in the rebellion.

The Seoul District Prosecutor's Office on Tuesday wrapped up its 14-month-long investigation of the insurrection and other charges brought against former Presidents Chon Tu-hwan and No Tae-u and 56 others allegedly involved in the bloody military suppression of the May 18, 1980, Kwangju citizens' uprising after concluding that it had "no power to prosecute those charged."

The KBA said, "The military's actions from the Dec. 12 military insurrection in 1979 to the resignation of then-President Choe Kyu-ha in 1980 were not procedures designed to create a new constitutional order but were acts of rebellion and murder. So those involved in the suppression must be punished."

"The military insurrection, proclamation of martial law, arrest and torture of politicians and the slaying of innocent citizens were brutal measures that trampled on the basic rights of the people. So, the prosecution's conclusion that those criminals involved in a rebellion that succeeded cannot be held accountable to the law is clearly illegal," the association claimed.

Concerning the murder of Kwangju citizens committed by the military, the KBA statement said that former President Chon Tu-hwan, who took power by mobilizing airborne forces to Kwangju city to suppress peaceful demonstrations, should take ultimate responsibility for the massacre of the citizens.

The statement added, "Because of the slow-moving investigation by the prosecution the statute of limitations has almost ended. So the government should enact a special law to extend the statutes of limitations and introduce a special prosecutor system which will enable them to thoroughly reinvestigate the case and to have legal jurisdiction over all those involved. That will secure the basic rights of the people and prevent another rebellion."

Civic Groups Denounce Decision

SK2007010795 Seoul THE KOREA TIMES in English 20 Jul 95 p 3

[FBIS Transcribed Text] Progressive civic circle yesterday strongly denounced the prosecution's decision to abandon legal action against the "successful coup" and not to indict former presidents Chon Tu-hwan, No Tae-u and others for their responsibility for the bloody suppression of the "Kwangju democratic movement" in May, 1980.

A progressive civic group, Chonguk Yonhap, or the National Alliance for Democracy and National Unification, flatly denounced the prosecution's decision as an "intolerable absurdity" in its statement issued yesterday.

It is outrageously nonsensical that the prosecution viewed the massacre in Kwangju as part of a "power exercise," in contrary to its earlier definition of the Dec. 12 incident as a "revolt," the statement said.

Chonguk Yonhap revealed its plan to protest the decision by holding a rally at Changchungdan Park, central Seoul, Saturday, jointly with other civic groups.

About 120 members of another civic group are set to stage a sit-in protest at Myongdong Cathedral starting Saturday and make protest visits to Chongwadae, the Supreme Prosecutor's Office, houses of Chon Tu-hwan and No Tae-u, and the ruling Democratic Liberal Party building.

Leading members of student councils of Seoul universities plan to join the protest rally at the Catholic facility.

Against the move of the progressive circles, police strengthened their security checks at government and major facilities yesterday.

In Kwangju, the venue of the democratic movement of 1980, a coalition of 136 political and civil groups seeking the punishment of those responsible for the killing of Kwangju citizens declared an all-out fight against the incumbent government, Tuesday.

The leadership of the coalition claimed in a statement, "Kim Yong-sam's government proved itself to be merely a successor of those who usurped power by embracing the murderers."

Kwangju Mayor Song On-chong, who took office through the local election last month, joined his voice in the chorus of accusation against the abandonment of prosecution against the establishment.

Son told a press meeting yesterday that he will deliver the sentiment of Kwangju citizens on the prosecution's decision to the central government.

Several hundreds of college students in South Cholla Province staged violent demonstrations Tuesday, hurling rocks and firebombs, in their attempt to raid district prosecutor's offices and the DLP buildings.

Kim Yong-sam To Personally Manage DLP

SK2007033695 Seoul YONHAP in English 0308 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — President Kim Yong-sam plans to drastically reform the leadership of the ruling Democratic Liberal Party in early August upon his return from the United States when he intends to personally manage the party to ensure a victory in the upcoming general elections slated for next April.

At a Chongwadae [presidential offices] breakfast meeting Thursday, Kim, concurrently president of the ruling party, told his party's key post holders and members of its central executive council, "I think I have to make a serious decision if we are going to win in the forthcoming general elections. A decision shall be made soon after my return home from the United States."

Kim's reference to a decision about the party appears to mean a significant reform of the government party is essential if the party is to overcome the aftermath of its embarrassing defeat in the June 27 local elections and to ensure a victory in the upcoming 15th general elections.

In this regard, the ruling party is reportedly studying two formulas, one calls for the conversion of the present party leadership structure, which is centered around the party's chairman, into a leadership system directly controlled by the party's president with a plural number of deputy presidents, and the other formula seeks to carry out a major reshuffle within the current leadership structure.

The idea of having several deputy presidents appears to be a strategy designed to counter opposition leaders Kim Tae-chung and Kim Chong-pil by demonstrating to the people the ruling camp's intent to realize a generational shift of political leadership.

"Evident is the fact that the (ruling) party should change, without which the party cannot provide the citizens with their dreams and the youth with courage...with your consent, I'll try to make a new party, effectuate a new start and have the party reemerge as a party of the people."

Regarding the nomination of DLP candidates who will run in the forthcoming 15th general elections, Kim stated, "as party president, I'll look after it myself," DLP Spokesman Pak Pom-chin quoted Kim as saying.

Kim's references to the nomination of party candidates indicate his strong will to bring new life to the political arena by providing a generational shift in the course of naming party candidates for the 15th general elections.

The government party is expected to recruit a large number of new faces in mid-August when it will select organizers for the 29 district chapters which are being created under the rezoning of parliamentary electoral districts.

Kim Tae-chung Predicts Success for New Party

SK2007022595 Seoul YONHAP in English
0217 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — Opposition leader Kim Tae-chung said Thursday he believes the new political party he is forming will be a success, though it will suffer from pains and difficulties in its formative period.

Speaking at a ceremony opening the office of the new party's preparatory committee, Kim pledged to foster a political party in line with the era of local self-government, to develop an economic system that aids small businesses, to pursue a peaceful and gradual reunification of the nation and to prepare the country for the 21st century.

"I believe the day will come when the people are blessed with the new party of today," he said, adding that he would assume all responsibility for the consequences of the new party.

The government and its ruling party have failed to present the people with a long-term plan to lead the nation and the Democratic Party is in an even more deplorable situation, he claimed.

He defended his decision to create a new party, calling it "a necessary decision."

The new party will be designed to induce young and conscientious people to become members and it must develop into a party of hope and promise, he stressed.

"I have hope in the new party because many people from various walks of life are joining in groups," he said.

Yi Ki-taek Critical

SK2007023695 Seoul YONHAP in English
0213 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — Opposition Democratic Party (DP) President Yi Ki-taek on Thursday called for a generational shift in the country's political arena, arguing that the era of three Kims which he said has hung together with that of military dictatorship should come to an end.

In a press conference at DP party headquarters, Yi repeatedly attacked former opposition leader Kim Tae-chung, one of three Kims, charging "Kim's declaration of a political comeback was an immoral decision deceiving the people and history to satisfy his own greed for presidential power."

Asserting that any politician who repeatedly breaks his promises will fail to gain the faith and support of the people, Yi urged Kim to retract his declaration of a political comeback and his plan to inaugurate a new political party.

"If he turns a deaf ear to the people's abhorrence of his return to politics, Kim will be recorded in history as a leader who betrayed the public's political faith," Yi said.

The cause of the intraparty feud and confusion, Yi argued, originated from Kim's premeditated scheme to return to politics.

"Protecting the DP, an authentic opposition party, is the responsibility of the party president," he remarked, adding he will immediately reorganize the party.

Denouncing the prosecution's decision Tuesday not to indict those involved in the brutal suppression of the May 18 Kwangju democratization movement in 1980, Yi pledged his party will strive to realize a judicial judgment for the complete exposure of the truth behind the suppression, even it is necessary to draft legislation to do it.

Government To Develop Long-Term Economic Plan

SK2007031095 Seoul YONHAP in English
0243 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — The government has decided to map out a long-term economic development plan that will seek to increase the nation's per capita gross national product (GNP), which is expected to top 10,000 U.S. dollars this year, to 20,000 dollars by the year 2001 and 30,000 dollars by 2005, Hong Chae-hyong, deputy prime minister and minister of finance and economy, said Thursday.

Hong disclosed the goals while reporting on a draft project to develop a long-term plan for "a new economy" to President Kim Yong-sam at the economy-related ministers' meeting held at Chongwadae.

Hong explained that the plan's target will be to expand South Korea's economic scale to become the world's seventh largest, surpassing Britain, by the year 2010.

Hong said that the nation faces a need to systematically review the economic growth it experienced during the past few decades as its per capita GNP is about to exceed 10,000 dollars with a view to making an analysis of merits and drawbacks of its economy.

On the basis of that analysis, the nation should work out a new long-term economic development strategy to meet the expected changes of the world as well as the domestic changes of the 21st century, Hong added.

Beginning this month, state-run research institutes, including the Korea Development Institute (KDI), will lead the formation of a long-term plan, in which government officials and college professors will also participate.

The Ministry of Finance and Economy will form working-level teams to establish details of the plan in every economic field by the end of August this year and will then hold public hearings to review those details beginning in September.

The ministry will report the details of the plan to the new economy promotion committee, which President Kim presides over, February next year and expects to complete the formation of the long-term plan by June next year.

Further Liberalization of Interest Rates Coming

SK2007102595 Seoul YONHAP in English
0921 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — The government on Thursday announced that it will take measures to further liberalize interest rates, chiefly on short-term deposit and loan rates, starting Monday [24 July] next week.

Under a plan to implement the third phase of the interest rate liberalization program announced by the Finance and Economy Ministry, interest rates on bank deposits maturing in six months to two years will be deregulated along with those on similar deposit plans offered by non-bank financial institutions, such as mutual savings and finance firms and credit unions.

Discount rates on commercial paper and interest rates on short-term credit provided within the ceiling on the Bank of Korea's total credit, such as trade credit and parts production funds, will be liberalized.

With the measures, deregulated deposit and credit rates are expected to rise by 0.5-2.0 percentage points over the current levels, ministry officials said.

In addition, the minimum maturity period of short-term debt securities, such as certificates of deposit (CD), commercial paper (CP) and repurchase agreements (RP) involving large-denomination public bonds sold with repurchase commitments, will be reduced from the current 60 days to 30 days, while the minimum face value of these instruments will be lowered from the current 30 million won to 20 million won.

The minimum face values of broker notes and covered notes will also fall from the current 50 million and 20 million won denominations to 30 million and 10 million, respectively.

The measures are also expected to increase the liberalized deposit rates, expressed as a percentage of total deposit rates, from 52.1 percent to 55.2 percent in banks and from 86.4 percent to 87.8 percent in non-bank thrift institutions for an overall increase ratio of liberalized deposit rates from 75 percent to 77 percent.

Liberalized lending rates will now account for 90 percent of the total loan rates in banks, compared with the current 77.5 percent, for an increase in the overall ratio of liberalized loan rates from 89.5 percent to 95.3 percent.

Loan rates at non-bank lending institutions were liberalized 100 percent in November 1993.

Liberalized rates on repurchase agreements, involving usually Bank of Korea-issued monetary stabilization bonds sold by financial institutions at a specified price with a commitment to repurchase them at a later date, are expected to help the central bank control the money supply more effectively through open market operations, an official said.

For effective implementation of the new interest rate liberalization measures, interest rate cartels formed by financial institutions will be placed under strict controls, while the institutions will be required to make a public notice whenever they change their interest rates, he added.

In addition, to ensure that the measures will not cause sharp increases in lending rates, the Bank of Korea will not change its discount rates charged for loans it makes to commercial banks for the time being, he said.

Prosecution To Arrest Sampoong Engineers

SK2007074695 Seoul YONHAP in English
0725 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — Prosecutors investigating claims of faulty construction at the collapsed Sampoong Department Store in Seoul plan to arrest next Tuesday [25 July] seven officials from three construction firms on charges of accidental homicide.

Concluding that illegal changes to the building's design and a jerry-built steel structure were to blame for the building's cave-in, the prosecution also plans to prosecute without physical detention over 10 construction company officials on similar charges.

Among the seven to be arrested are four staff members of the Woosung Construction Co., which performed the steel structural work at the store's "A" wing from July 1987 to January 1989: Site office head Kim Yong-kyong, 51, currently at large, Project Manager Kim Yong-pae, 44, Construction Engineer Chong Sun-cho, 40, and "A" wing steel rod foreman Choe Chong-sam, 45.

The three others to be arrested include an engineer of Sampoong Construction Co. and two designers.

An official at the Seoul Prosecutor's Office said Thursday, "We've collected sufficient evidence to prosecute the seven suspects even if we arrested them now. But we've put off taking them into custody pending the outcome of a scientific investigation now being conducted by the inspection team."

Depending on the results of the investigation team's study and future investigations into interior projects and expansion of sales space by the Sampoong Department Store, the number of arrests may increase, the official added.

Safety Checks Planned for 220 Public Buildings

SK2007071995 Seoul YONHAP in English
0648 GMT 20 Jul 95

[FBIS Transcribed Text] Seoul, July 20 (YONHAP) — Seoul Mayor Cho Sun said Thursday the city would immediately conduct safety checks of 220 public buildings, such as office buildings, hospitals and hotels, which are 16 stories or higher and have a floor space of 30,000 square meters or more.

Testifying at a hearing of the special parliamentary committee investigating the collapse of Sampoong Department Store, Cho, who was elected Seoul mayor in the June 27 local elections, added that the city government would restrict the use of, and control access to, any building found to be unsafe during the checks.

As President Kim Yong-sam declared the ill-fated shopping mall a special disaster area, those killed or injured in the collapse will receive government-guaranteed compensation while businesses which incurred losses from it will be granted financial support and tax breaks.

The capital city will also publish a white paper on the disaster to help the administration form preventive measures against similar accidents from occurring, Cho said.

Committee members, including Reps. Kim Kil-hong and Pak Chu-chon of the ruling Democratic Liberal Party and Rep. Yang Mun-hui of the opposition Democratic Party, questioned Cho Nam-ho, chief of Socho ward where the department store is located, about his office's approval of the store's plan to expand the basement and change its usage and about possible collusion between ward officials and the store's management.

They also pressed him to account for the confusion rescue workers experienced during the initial stages of relief operations, such as the incorrect tallying of those reported missing, noting a better organized effort should have rescued more people from the debris.

Conglomerates Vie for Control of Korea Gas

SK2007011995 Seoul THE KOREA TIMES in English 20 Jul 95 p 8

[FBIS Transcribed Text] Business conglomerates with oil refining companies are eagerly competing for ownership of the Korea Gas Corporation which is expected to be privatized in the near future.

Industry sources said among the main contenders are LG, Sunkyong, Ssangyong, Hanwha and Lotte Groups, all of whom run oil-related businesses.

Of them, they speculated, the one showing the greatest interest in acquiring management control of the lucrative gas utility is the LG Group which operates Honam Oil Refinery.

The sources aid LG has reportedly been drafting a strong bid for the state-run company for over a year now, and has now even fixed a bid price.

One LG Group official was quoted as saying that there is a great deal to be gained from a synergy created by combining oil refining and gas supply and detailed efforts are being made to take over the state-run company.

The government initially announced its plans to privatize a number of state-invested companies and is believed to be in the final stages of deciding the specific method.

The Sunkyong Group, which owns Yukong Ltd, the nation's largest oil company, has also emerged as a strong contender in recognition of the high added value of running an integrated fuel enterprise.

Sunkyong has been keen on entering new businesses, as seen in its acquisition of a controlling stake in Korea Mobile Telecom, and the ownership of Korea Gas is reportedly high on its priority list.

Officials of the Ministry of Trade, Industry and Energy, meanwhile, said the privatization of Korea Gas is currently being studied by the related research institutes and it should go on the market by the end of this year.

Burma

Suu Kyi Interviewed on Martyrs Day Activities

BK2007075695 London BBC in Burmese to Burma 1345 GMT 19 Jul 95

[BBC telephone interview with Aung San Suu Kyi on 19 July from Current International Affairs Program]

[FBIS Translated Text] Listeners: I [Kyi Kyi May of BBC Burmese section] telephoned Rangoon and interviewed Daw Aung San Suu Kyi, daughter of General Aung San who was released from house arrest over a week ago, and asked her about the commemorative activities for Gen. Aung San. I apologise for the poor quality of the telephone interview. Daw Aung San Suu Kyi explained her activities today as follows:

[Begin recording] [Aung San Suu Kyi] I placed a basket of flowers at the Martyrs Mausoleum this morning. I did that because my mother never wanted to place a wreath at father's tomb. She always sent a basket of flowers, like sending flowers to father. It was her little sentimental way. So, I placed a basket of flowers just like mother used to do.

When I returned home there were visitors and quite a lot of people at the gate of my house. I have already greeted the people twice. As it is Martyrs Day, I explained a little on the need for the people to contemplate on what is a martyr. Martyrs are selfless persons who work in the interests of the people and the nation and these people are never forgotten by the people and the country and the people's love for them will never wane.

[Kyi Kyi May] I heard you went to greet the people outside your house at about the time the general [Aung San] was assassinated [It used to be a custom on Martyrs Day to sound the siren at 1037 — the time of the martyrs assassination]. Was there a siren to commemorate the time of the general's assassination?

[Aung San Suu Kyi] I did not hear it. The people mentioned this matter to me often. They were unhappy that the siren is no longer sounded. I think what is important is that father remains in the heart of the people. What is more important than sounding the siren is that father remains in the heart of the people. I am satisfied that the people remember father. It does not matter if other people do not remember him.

[Kyi Kyi May] Ma Ma [meaning big sister and used as a term of respect], I heard that you held talks with some ambassadors. Are you planning to meet the SLORC [State Law and Order Restoration Council] leaders?

[Aung San Suu Kyi] We are still discussing these matters among ourselves. When the discussions are completed we will appeal for talks when the time is appropriate. We had called for talks in the past and we will continue to call for talks.

[Kyi Kyi May] In some of the interviews I had with some opposition groups, they welcomed your release as a positive move by SLORC. Many of them stressed the need for genuine goodwill on the part of the government to establish a genuine democratic system in Burma. Do you think it can be said that tripartite talks between the ethnic groups, military leaders, and you, Ma Ma, is not too far away?

[Aung San Suu Kyi] I do not want to say whether it is far or not far. However, all of us should strive toward this end. I do not want to say far or not far because if I said it the people will be disappointed if their expections are not met. My position is that I will work with zeal until the goal is achieved.

[Kyi Kyi May] Another point is that I am aware that you have many ideas about the country's development. Can you mention some of them?

[Aung San Suu Kyi] I do not know if I had mentioned to you or to the English service section. This country will never progress if there is no trust between the government and the people. Therefore, we must establish a system which will lead to trust between the government and the people. Our country's future will be assured only when there is mutual trust and when the people have confidence in themselves and when there is correct and just action for the country's progress. What is important is the politics of confidence [preceding four words given in English]. I would like to strive for a political system based on mutual trust. [end recording]

Radio Reports Suu Kyi at Martyrs Day Event

BK1907140495 Rangoon Radio Myanmar in Burmese 1330 GMT 19 Jul 95

[FBIS Translated Excerpt] The 48th Martyrs Day ceremony was held at 0800 this morning at the Martyrs Mausoleum. Brigadier General Thaung Myint, culture minister and chairman of the Committee for Holding the 48th Martyrs Day ceremony, attended the ceremony on behalf of the chairman of the State Law and Order Restoration Council. Brig. Gen. Thaung Myint saluted the state national flag, laid wreaths at the tomb of fallen national leader General Aung San and other martyrs, and prayed at the ceremony. [passage omitted]

Next, family members of the fallen martyrs laid their respective wreaths at the tombs of the martyrs. First, Daw Aung San Suu Kyi, daughter of Gen. Aung San, laid three baskets of flowers and U Than Lwin and his wife, Ma Yin Myo Nwe — on behalf of U Aung San U, the son of Gen. Aung San — laid a wreath at the tomb of national leader Gen. Aung San. They saluted and shared prayers. [passage omitted]

Brunei, Malaysia & Singapore

Malaysia

Minister Urges EU To Review New GSP Scheme

BK2007090395 Kuala Lumpur THE STAR in English 20 Jul 95 p 5

[FBIS Transcribed Text] Malaysia hopes the European Union (EU) will review its new Generalised System of Preference (GSP) which would see the country graduated out of four product sectors from 1 January 1998.

"Notwithstanding the growth of the Malaysian economy and the industrial sector, a large number of manufacturers are still small- and medium-sized which need the GSP benefits to compete with suppliers from other countries," said Deputy International Trade and Industry Minister Kerk Choo Ting.

Kerk was speaking at the opening of a seminar on the new GSP, organised by the European Commission and MITI [Ministry of International Trade and Industry) in Kuala Lumpur yesterday.

The four product sectors involved are plastic and rubber, wood, clothing and selected sub-sectors of consumer electronics.

Under the previous scheme, beneficiary countries were differentiated according to their level of competitiveness for a product through the application of individual quotas or by exclusion of products.

The new graduation mechanism no longer measures the competitiveness of these countries for each product, but considers the level of industrial capacity reached by each beneficiary to determine whether there is a need for GSP.

Kerk hoped that the commission would take into account Malaysia's pioneering efforts in reducing import tariffs and its initiative in addressing trade imbalances when reviewing the scheme.

Kyrgyz President Begins 5-Day Official Visit

BK1907134895 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 19 Jul 95

[FBIS Translated Text] Mr. Askar Akayev, president of the Republic of Kyrgyzstan, has begun an official visit. An official welcoming ceremony was held for the president at the Parliament grounds today.

[Begin unidentified correspondent recording] Mr. Akayev and his wife, Mairam Akayeva, were welcomed by His Majesty Tuanku Jaafar, the paramount ruler, and Her Majesty Tuanku Najihah at the Parliament grounds. Mr. Akayev later ascended a royal platform to receive an honorary salute accompanied by the national anthems of the two countries. He inspected an honor guard mounted by 108 officers and members of the First Battalion of the Royal Malay Regiment led by Major Zamruz Mohamed Zain. The inspection was accompanied by a fly past by the Royal Malaysian Air Force. The president of the Republic of Kyrgyzstan was later introduced to members of the cabinet and of the Kyrgyz community in Malaysia. Mr. Akayev, leading a 23-member delegation, is on a five-day official visit to the country. He will hold talks with the prime minister, sign a bilateral agreement, and visit Penang during his visit.

Earlier, Mr. Akayev was welcomed by Prime Minister Datuk Sri Dr. Mahathir Mohamed and his wife, Datin Sri Dr. Siti Hasmah, at Subang International Airport. Also present were Foreign Minister Datuk Abdullah Ahmad Badawi and Youth and Sports Minister Tan Sri Muhyiddin Yasin, acting as minister in attendance, and his wife Puan Sri Noorani.

Mr. Akayev is leading a 23-member delegation made up of two ministers, government officials, and businessmen. This is the first visit by a leader of the former Soviet republic to Malaysia. [end recording]

Cooperation Agreements Signed With Kyrgyzstan

BK2007095395 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 20 Jul 95

[FBIS Translated Text] Malaysia and the Republic of Kyrgyzstan have signed six bilateral agreements to form the basis of cooperation between the two countries. Among the agreements signed at a ceremony in Kuala Lumpur were economic, scientific and technical cooperation, bilateral trade, and investment promotion and protection agreements. The signing was witnessed by Prime Minister Datuk Sri Dr. Mahathir Mohamed and Kyrgyz President Askar Akayev.

Acting Foreign Minister Datuk Abang Abu Bakar Mustapha represented Malaysia at the signing of the economic and scientific and technical cooperation agreements. Kyrgyzstan was represented by Foreign Minister Roza Otunbayeva. The bilateral trade and investment promotion and protection agreements were signed by Datuk Sri Rafidah Aziz, minister of international trade and industry, on behalf of Malaysia and Finance Minister Kemelbek Nanayev on behalf of Kyrgyzstan. The agreements are aimed at boosting bilateral trade and investment between the two countries.

Earlier, President Akayev paid a courtesy call on Datuk Sri Dr. Mahathir at the latter's office. He said he was amazed by Malaysia's success in national development and expressed the hope that the country's development program can be emulated. He added that Malaysia is the best model for Kyrgyzstan because both countries have multiracial populations.

Commentary on Burmese Plans To Join ASEAN

BK1707154795 Kuala Lumpur Voice of Malaysia in English 0810 GMT 17 Jul 95

[Station commentary]

[FBIS Transcribed Text] Myanmar [Burma] is interested to join the Association of Southeast Asian Nations, ASEAN. This is a very important move as it will mean Myanmar will make a comeback into the international scene and end its isolation policy. With these efforts, the Myanmar military-led government will be adopting a more open policy. On its part, Malaysia has always taken a constructive approach in dealing with Myanmar in line with ASEAN's stance not to isolate the country. This is because Myanmar, which had already started moves toward reforms, including a new constitution, needed some time to change. The interest to join ASEAN was conveyed by Myanmarese Foreign Minister Ohn Gyaw recently, who said that Myanmar wants to accede to the Treaty of Amity and Cooperation and is prepared to join ASEAN. This was actually conveyed by the Myanmarese Government to Brunei, which is hosting the ASEAN's annual meeting later this month, in a letter accepting Brunei's invitation for Myanmar to attend the meeting as a guest of the host country. The Treaty of Amity and Cooperation is dedicated to peace and stability of the Southeast Asian region and had served as an initial treaty that bound together the member countries of ASEAN.

Myanmar's move to accede to the treaty is only natural as the country enjoys identical views with ASEAN on all international issues. However, Myanmar is quite cautious about its full participation in ASEAN due to ASEAN's quick-pace free trade area scheme. This is because it feels that the tempo and process for Myanmar to come into the regional group must be in accordance with what Myanmar could do. The recent freeing of the country's dissident, Aung San Suu Kyi, could also be another factor toward Myanmar's move pertaining to ASEAN. This is because the association has always encouraged Myanmar to come back to the fold of democracy without [words indistinct].

Relations between Malaysia and Myanmar have always been cordial despite the odds. Many Malaysian businessmen and investors have flocked to Myanmar to take advantage of the investment opportunities offered by the Myanmarese Government. However, there are still a lot more opportunities to explore, such as in wood-based industries, property development, orchids, and rubber plantations. Such efforts must be taken now as Myanmar is moving toward a more market-oriented economy. The potential for the downstream wood-based [industries] there is tremendous as the sector is still underdeveloped. Malaysia has always maintained that the inclusion of all Southeast Asian countries in ASEAN will strengthen the regional grouping and enhance its political clout among international regional groups. This is especially so after Vietnam joins the ASEAN's 28-year-old family as its seventh member in Brunei.

'Aggressive Stand' in Bosnia Urged

BK1907102895 Kuala Lumpur UTUSAN MALAYSIA in Malay 19 Jul 95 p 30

[Report by Mohamed Nizam Abdul Hamid]

[FBIS Translated Excerpt] Kuala Lumpur, 18 Jul — The major powers are urged to stop talking about the conflict in Bosnia-Herzegovina and start adopting an aggressive stand to combat the Serb terrorists.

Defense Minister Datuk Syed Hamid Albar said the talks held by these countries have only encouraged the Serbs to launch fresh attacks. "The Serbs must be given clear warnings otherwise they will continue attacking the safe havens," he said.

The minister said this to reporters when he commented on the Serb attacks against the safe havens in Bosnia after he attended a briefing session at the headquarters of the Armed Forces Fund Authority here today. [passage omitted]

Syed Hamid said the Rapid Reaction Force (RRF) consisting of troops from five countries must also be given clear directives. Right now, the RRF does not know its real function in Bosnia so it has done nothing to achieve peace there. "It is unthinkable that the safe havens have become an inferno for the Bosnian people," he said. He added that the United Nations and NATO must jointly look at ways to solve the conflict because Bosnia is a European problem.

Commenting on the U.S. stand on Bosnia, Syed Hamid said the United States is ready to assist the United Nations Protection Force by providing helicopters.

On the presence of the Malaysian Batallion (Malbat) in Bosnia, he said Malbat will continue to play its current role there and ensure that the batallion holds safe positions.

Speaking on the same occasion, Syed Hamid also disclosed the Defense Ministry's plan to modernize the Army in the Seventh Malaysian Plan. However, the plan to modernize the Army will not be viewed separately from the Navy and the Air Force because in the national defense system, the three services are closely interrelated. He said the Armed Forces Fund Authority now has assets of more than 3 billion ringgit, consisting of investments in land, trade, and commercial complexes, which have yielded high returns.

Mahathir on Merits of Bakun Hydroelectric Dam

BK2007085295 Kuala Lumpur THE STAR in English 20 Jul 95

[Received via Internet]

[FBIS Transcribed Text] Kuala Lumpur: The Bakun Hydroelectric Dam project will provide the country with the cheapest and cleanest form of power generation, Datuk Sri Dr Mahathir Mohamed said.

The Prime Minister pointed out that the Bakun project, covering 69,000 hectares, would be able to generate six times the electricity compared with the Kenyir dam, which was half the size. (Kenyir produces 400 megawatts, while Bakun could generate up to 2,400 megawatts.)

"This is why we decided on Bakun and other forms of power generation. Our power requirements have increased tremendously, and we must use all available source of energy," Dr Mahathir said during an interview on RTM's [Radio Television Malaysia] With the Prime Minister aired over TV1 yesterday.

When pointed out certain quarters claimed that hydroelectric power generation was more costly than gas, Dr Mahathir said:

"This is true, but gas is not an inexhaustible power source. Our gas supply will eventually run out.

"We believe Bakun is permanent; as long as there is rain, we will get power from Bakun."

He also said the dam had great potential as an eco-tourism attraction.

On the Environmental Impact Assessment [EIA] report of the project, he said it was the practice of the Government to approve it before displaying it to the public.

He criticised certain quarters, especially NGOs [non-governmental organizations], which would reject the report despite whatever it said.

As for the report, he said it was very complex as it was drawn up by experts.

"For the public, if the village folk were given the report, they would not understand."

The experts noted in the EIA report that the good outweighs the bad, which was why the Government decided for the project, he added.

He said only 70,000 hectares would be submerged and not 1.5 hectare million as claimed.

Dr Mahathir also spoke about the role played by Ekaran Berhad [Company] which, he said, was only the lead company in the project.

"Ekaran is actually a minority shareholder. The state government, individual bumiputras [indigenous people], and other statutory bodies also have shares.

"Ekaran was chosen because of its proven track record of completing projects fast. We want to finish the project in six years," the Prime Minister said.

Singapore

Complaint on Malaysian Import Procedures Withdrawn

BK1907135095 Singapore Radio Corporation of Singapore in English 1300 GMT 19 Jul 95

[FBIS Transcribed Text] Singapore has formally withdrawn its complaint against Malaysia on the issue of its import licensing procedures. Malaysia had earlier announced it was changing its import prohibition measures on the polypropylene and polyethylene to an automatic licensing scheme. Singapore was unhappy over the decision as it had considered the move to be trade restrictive and it was also not consistent with WTO [World Trade Organization] rules, but Malaysia has since changed its import licensing procedures to make them consistent with WTO rules and non-trade restrictive.

Article Previews SRV Membership in ASEAN

BK2007093995 Singapore BUSINESS TIMES in English 19 Jul 95 p 15

[Article by Regional Analysis Editor Yang Razali Kassim in Asian View column: "Afta is Vietnam's Road to Growth and Prosperity"]

[FBIS Transcribed Text] In nine days' time, Vietnam will be sworn into the ranks of Asean, once its staunchest ideological foe. When the hands shake in Brunei on July 28, this strange twist of history will mark the post-Cold War reconciliation process in South-east Asia.

The entry of Vietnam into Asean will also be a historical first. This is probably the first time in history that a group of ardent free-marketeers, practising various forms of Western-style democracy, is embracing into the regional brotherhood a reformed communist state that has taken the road of "market socialism."

Thus far, and despite many attempts, no communist state has integrated itself into the capitalist system — not even in Europe at the moment, except for the collapse of East Germany and its eventual integration with the then West Germany. This, therefore, is a bold economic experiment, reflecting the resilience and accommodative ethos of Asean.

And as a model for such co-operation, the success of Vietnam's link-up with Asean will be tested by how Hanoi can enmesh itself with the larger Asean regional economy. For this, the main yardstick will be how the Vietnamese keep up with the rest of Asean in the Asean Free Trade Area (Afta).

Vietnam initially was apprehensive whether it could match up and keep pace. It had tried to avoid being sucked completely into the Afta tariff-slashing process.

But in a significant about-face, demonstrating increasing confidence, Vietnam has decided to take the plunge, albeit cautiously.

The latest word is that Hanoi will undertake an immediate, though partial, link-up with the Afta process soon after its official entry into Asean. Hanoi has indicated, or is in the processing of informing Asean, that it will extend preferential treatment to the other six Asean members.

As a second step, Hanoi will take part in the Afta process from January 1 next year by putting 15 products under Afta's Common Effective Preferential Tariffs (CEPT) Scheme.

Hanoi's readiness to jump onto the CEPT train is important. For without the CEPT, there is no Afta.

The CEPT is the vehicle which allows all the present Asean economies to liberalise their markets and extend preferential treatment to one another. It does this by requiring Asean economies to cut down tariff barriers to one another to between zero and 5 per cent by the year 2003 — five years faster than originally planned.

Interestingly, the 15 products Hanoi is offering for the CEPT chopping block is said to be more than what some Asean members first offered when the scheme was introduced a year or two ago.

The preferential treatment and the CEPT list are but two of four conditions that Asean put to Hanoi for membership. That Hanoi is prepared to meet some if not all of these conditions clearly shows that Vietnam is ready to tango if it can.

But Hanoi will certainly need more time before it can come up with a full CEPT list and take part in the Afta process fully.

Don't be surprised if Hanoi requests for a transition of three to five years before it can subject its economy to the full rigour of tariff-slashing under the CEPT/Afta process.

The adjustment process into Afta can be quite painful. Hanoi will need the full works in infrastructural back-up to support an Asean-style economy. But the Afta process is also Hanoi's best bet to assist its integration into the global economy. It is the best road to take if Hanoi ever hopes to match China's breathtaking transformation from a Marxist economy to a capitalist one in all but name.

The deeper Vietnam gets into the Afta process, the better will be its chances of clocking high growth rates.

Its cheaper goods will have preferential access into the huge Asean market, which with Vietnam's entry will expand to be 400 million strong.

And by opening up, Vietnam will be a favoured destination of Asean investors, who have grown to be one of the main bearers of funds and assets in the Asia-Pacific region.

Over the next decade, as the Afta process chugs along, Vietnam will prosper along with the rest of Asean.

Prosperity may have two contrasting effects.

It may convert Vietnam completely into a capitalist state and reform its political system — to the point of eroding the lingering faith in communism as an ideology. Or it may strengthen the hardcore communists who will want to use the newfound prosperity to turn against the original Asean bloc. If fellow communist states like China successfully reform and prosper, will the new Vietnam be tempted to break away from Asean to form an ideological alliance of market-driven communists?

The period of the Afta process clearly is crucial for Vietnam. And for Asean, too. Afta may have an influence beyond what anybody can expect. Afta may make or break Vietnam. It may even determine the future shape of the Vietnamese political system.

Cambodia

Hun Sen Joins 'League of Cambodian Journalists'

BK1907034795 Phnom Penh PHNOM PENH POST in English 14-27 Jul 95 p 9

[Report by Ker Munthit]

[FBIS Transcribed Text] Second Prime Minister Hun Sen has joined the new League of Cambodian Journalists (LCJ), while the government has given it a $1,700 donation.

Both Hun Sen and First Prime Minister Prince Norodom Ranariddh attended the first congress of the LCJ — formed by a breakaway from the Khmer Journalists Association (KJA) — in a Phnom Penh dancing club on July 4.

They presented a four million riels (US $1,700) government donation, while Hun Sen made little secret of his distaste for the KJA.

"I don't want the league that was successfully created today — one Prime Minister came in the morning, another came in the afternoon — to tremble," he told the congress to applause.

"The dissolution of that association (the KJA) was not accidental," he said.

He expressed disappointment at opinion polls conducted in the past by the KJA, one of which found dissident Sam Rangsi was Cambodia's most favorite politician.

"In a situation where national reconciliation is proceeding smoothly, are such polls necessary?" Hun Sen asked.

Of KJA president Pin Samkhon, the Prime Minister said: "He should see who he is, why he is left behind."

Hun Sen said his membership of the LCJ should not be a matter for criticism.

"I'm a member of the league. This is my right. Don't accuse this or that person of interfering. This is democracy," he said, adding that the KJA remained recognized by the government.

He said he had come to the congress "to make my submission to the league," not for the LCJ to make submissions to him.

Hun Sen, appearing to confirm rumors that he had dined with LCJ leaders around the time of the breakaway from the KJA, said there were people who maintained that "even having a meal with Hun Sen is wrong."

He strenuously denied he had done anything improper, or had instigated the forming of the league.

LCJ president Chum Kanal — a Kaoh Santepheap newspaper writer and, until he resigned the day the LCJ was formed, deputy director of the Phnom Penh Municipality's information bureau — had earlier publicly denied dining with Hun Sen.

Kanal has said the LCJ is a neutral, independent group of journalists, but that it would accept political donations provided they came without conditions.

Kanal, asked after the congress about the LCJ's funding, told the Post he would borrow money from "friends" for rented offices for the league.

He intended to ask for money from the United States-funded Asia Foundation — which funds the KJA — to re-pay the debt.

The Asia Foundation has said that any funding of the LCJ will be contingent on being assured that it was a non-partisan organization acting in the interests of a free press.

Chum Kanal said the venue, food and drink at the congress — held at Bopha Khleang Rumsev, a cowboy-style dancing club — was provided free of charge by the owner. He did not know the owner's name.

He said the LCJ now had 38 newspapers, magazines and other organizations as members, and was a "success" over the KJA.

The KJA, meanwhile, has been left with only five newspaper members: the Khmer Independent, Khmer Neutral, New Voice, a French-language paper and a Vietnamese-language one.

Pin Samkhon, the KJA president, said he had had enough "headaches" and hoped to end the hostility and crisis in the press community.

"For me, it is over now. There is nothing for me to worry about and what I have to continue doing is to keep the KJA running."

The KJA has about $350,000 in funding from the Asia Foundation to be spent over two years.

Samkhon also once accepted a two million riels donation from Prince Ranariddh, a move which is understood to have attracted internal KJA murmurings about Samkhon's politics.

But division within the KJA is known to have largely centered on Samkhon's ardent defense of newspapers — all primarily anti government — which have been criminally prosecuted by the government.

Meanwhile, divisions within the press will again be highlighted by an international journalists conference to be hosted by the KJA in Phnom Penh on July 24.

The LCJ has threatened to boycott the conference unless it is allowed to host it.

More than 30 foreign journalists are to attend the conference, held under the auspices of the International Federation of Journalists (IFJ), to discuss the theme "Media and Government: The Search for Solutions."

Jacqueline Park, the IFJ's Cambodia-based representative, said the KJA had worked for almost a year to bring the conference to Cambodia.

"It seems very unfortunate... because the LCJ is not yet affiliated to the IFJ. It just would not be appropriate for there to be any change in who hosts the conference.

"We will be sorry if they (the LCJ) do decide not to attend because we feel that they will be denying themselves a wonderful opportunity."

Khmer Rouge Report 15 Jul Battle Successes

BK1807143095 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 17 Jul 95

[FBIS Translated Text] Here are results of the attacks against enemy forces on the Sisophon-Poipet battlefield and the cutting of Route 5.

I. The sweeping and smashing of the enemy forces.

1. The Nong Ien front:

At 0500 on the morning of 15 July, our national army launched commando attacks on a position of the 1st Division's 33d Regiment at Nong Ien. After 3 hours of fighting, we totally smashed and controlled this position. As a result, we killed 37 enemy soldiers, including three regimental commanders and three battalion commanders, and wounded some others. We destroyed 15 assorted weapons and two field radios. We seized 27 assorted weapons, including 22 AK rifles, an SKS, two AR-15 carbines, a drum-magazine machine gun, a Cetme rifle; two cases of AK ammunition, 370 rounds of AR-15 ammunition, two belts of machine gun bullets, 21 B-40 rockets, 18 rucksacks, seven hammocks, and a field radio antenna.

2. The front north of Nong Ien:

Also at 0500 on the morning of 15 July, we launched commando raids and destroyed the position of Battalion 35 of the 12th Division, the position of Regiment 441 of the 2d Division, and the position of the 7th Division located in areas north of Nong Ien. We killed 62 enemy soldiers on the spot and captured 15 others. The fleeing enemy soldiers hit our mines and punji stakes, suffering five killed and four wounded. We also wounded 25 others.

In sum, on the front north of Nong Ien, we killed 67 enemy soldiers, wounded 29, and captured 15 others. We destroyed 14 guns, 80 barracks, two large ICOM walkie-talkies, an antenna, and a large quantity of war materiel. We seized six guns, including four AK rifles, an AT, a drum-magazine machine gun, 1,400 rounds of AK ammunition, 500 rounds of AR-15 ammunition, 12 grenades, 100 rounds of machine gun bullets, 10 hammocks, 20 rucksacks, a large field radio antenna, and a quantity of assorted war materiel.

3. The Khai Dan front:

On 15 July, we attacked the enemy soldiers at Khai Dan along Kop river bank, killing two and wounding two. We also planted 10,000 punji stakes.

II. The cutting of Route 5.

On the night of 15 July, we attacked and dug a hole — three meters deep and four meters wide — on a stretch of Route 5 between O Chreou and O Pou and swept the two-headed administrators off three villages, namely O Chreou, Pou, and Thmei.

In sum, we killed 106 enemy soldiers, wounded 31, and captured 15 others. We also destroyed another portion of Route 5 between Sisophon and Poipet.

The Route 5-Sisophon-Poipet battlefield is the place to die of the two-heads. The two-heads tried hard to mobilize divisions of their forces from all areas to attempt to redress their position on the Sisophon-Poipet stretch of Route 5. But the numbers of their troops were insufficient to make a division and the morale of their troops was very low. They were so afraid of the mines and punji stakes. They were so inexperienced, having no knowledge of the terrains.

On the other fields, we have also pinned them down every where, on Route 12, Preah Vihear, Route 68, Route 69, Route 6, Route 10, and West Battambang battlefields. We have also pinned them down on the Pursat-Kompong Chhnang railroad.

Government Forces Recapture Treng Base

BK1907134395 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 19 Jul 95 pp 1, 11

[FBIS Translated Excerpt] The Treng base was retaken from the Khmer Rouge rebels by the Khmer Royal Armed Forces [KRAF] on 16 July following tenacious fighting over the last few days.

According to the Battambang Province police force, KRAF combatants killed three Khmer Rouge soldiers and wounded seven others in the attack to retake the base, which had been lost for two weeks. We also seized about 90 DK-82, 60-mm, 120-mm, and B-40 shells; seven anti-tank mines; and three cases of AK ammunition.

A source added that the KRAF forced the Khmer Rouge troops to retreat to Chi Sang and Chi Pang villages west of the base. While retreating, they used tanks to fire 69 100-mm, DK-85, and H-107 shells from the two villages at government troops occupying the base, killing nine KRAF soldiers and wounding 20 others.

Em Han, deputy governor of Ratanamondol District, said some 2,000 internally displaced families had already returned to their homes in the wake of the recapture of Treng base by government forces. [passage omitted on attacks by a group of Khmer Rouge troops on Sang Rang village in Bavel District of Battambang Province on 16 July]

Government, Khmer Rouge on Khla Ngoap Base

Troops Claim Base Retaken

BK1907134495 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 19 Jul 95 pp 1, 11

[Report by S. Uddom]

[FBIS Translated Text] In the battle to retake border bases in northwestern Cambodia from the Khmer Rouge in early July, government forces totally occupied the Khla Ngoap base at Dong Malai village. We also killed 40 Khmer Rouge rebels on the spot and wounded 150 others and seized some war materiel.

Colonel Mei Soenghan, the chief of staff of the 12th division, said 40 guerrilla rebels had been killed in the attack to retake the base. He added that the government forces, including troops from the 12th division, intervention troops from the 5th Military Region, and troops from other divisions, had staged a large-scale offensive against the base since the first week of July and that the offensive had advanced progressively toward the base. He also said that commanders of the Khmer Rouge rebels known as Soeur Rom and F320 as well as regimental and many battalion commanders had been killed in the onslaught.

Soenghan said: According to a report from the Khla Ngoap base, 10 rebel soldiers with their hands tied behind their backs and their bodies riddled with bullets were found dead. Probably, they had been executed by their commanders for doing something wrong. The chief of staff also said that in the attack, a small number of government troops had been killed or wounded and the caterpillar tracks of two tanks had been damaged by rebel mines.

Khmer Rouge: Under NADK Control

BK1907101695 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 18 Jul 95

["Clarification on the situation at Khla Ngoap village: it has always been under the control of the National Army of Democratic Kampuchea. However, the French, Australian, and U.S. radios have been spreading the propaganda that the two-heads have occupied Khla Ngoap village in order to extricate themselves from their great defeat on the Route 5-Sisophon-Poipet battlefield"; date and place not given — read by announcer]

[FBIS Translated Text] 1. Khla Ngoap village has always been under the control of the National Army of Democratic Kampuchea [NADK]. Even the two-heads have denied ever occupying this village. When local reporters asked them, the two-heads replied that they have never occupied Khla Ngoap village. Instead, their forces have been attacked and killed by Democratic Kampuchea. Therefore, there is a misunderstanding between Khla Ngoap and the two-heads ngoap [which means dead].

2. Why did the two-heads' masters make a lot of noise about Khla Ngoap? This is because the alliance, the two-heads' masters, and the two-heads themselves needed to extricate themselves from their great defeat on the Route 5-Sisophon-Poipet battlefield. It is over a month now since the Sisophon-Poipet stretch of Route 5 was completely cut off on 14 June.

Villages on both sides of the Sisophon-Poipet stretch of Route 5 are quiet. The NADK has attacked and now control all the villages along Stoeng Kop river, and those near the Poipet area. Even the pig's nose area, Kouk Sbaeng, and Nong Hean have been attacked and liberated.

Therefore, the story is about the two-heads dying on Route 5- Sisophon-Poipet and not about Khla Ngoap.

3. The alliance and the two-heads have made efforts to spread this propaganda thinking that no one knows the story. However, everyone knows about it. The radio of the Provisional Government of National Union and National Salvation has broadcast in detail battle reports and the situation on the Route 5-Sisophon-Poipet battlefield.

Thus, the masses have spat on the reports by French, Australian, and U.S. radio stations and also on the heads of Lapresse [Information Ministry official] and Ieng Muli, for them to be passed on to their three masters' radios too. The masses have ridiculed them saying: Liars! it is okay if people do not know the truth. However, lying to people about what they already know stinks like shit.

The people have said this to them: Do not bring this kind of shit out again. Everyone hates this, the three radio stations, and also the stations' owners. All these countries boast that they are superpowers and rich but they are cheaper than shit!

The people say that this is the way it is in this era. The nature of warmongers, those who suppress human rights and the right to self-determination of a country, and murderers in this era is well known to people of this world. These guys stink! They are spat on everywhere they go and are buried in the ground as though they are gobbled up by the earth.

Khmer Rouge 'Minister' Mak Ben on Famine

BK1907025295 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 17 Jul 95

["News conference" by Mak Ben, "minister in charge of rural areas, agriculture, and water conservancy and representative of the Provisional Government of National Union and National Salvation," on 17 July; place not given — recorded]

[FBIS Translated Text] [Mak Ben] Greetings to all compatriots. This Monday morning, 17 July, the cabinet of our Provisional Government of National Union and National Salvation [PGNUNS] attentively examined and discussed the problem of the people's lack of food. The cabinet examined the situation and found out that the problem of insufficient food for the people has intensified throughout the country. Reports from all areas affirmed that the people are now suffering a total shortage of rice. Millions of people are eating only wild potatoes and [words indistinct] leaves. By the coming August, September, and October, this famine will be even worse. Millions of people will face death by starvation.

This is the biggest famine in our Cambodian history. It is also a part of the genocide against the Cambodian race. The root cause of this acute famine is clearly known and seen by our nation and people. The root cause is communist Vietnam's war of aggression and occupation of Cambodia, which it has been conducting since 1978. This primary cause has been continued by the UNTAC [UN Transitional Authority in Cambodia], the alliance, and the two-heads, who have brought everything to a state of total ruin. The reason is that the communist Vietnamese, the alliance, and the two-heads have kept recruiting troops to wage the war, thus the people have been deprived of any production force or time to do their farming so as to earn a living. The reason is the 4 million-plus ethnic Vietnamese who have come to seize all of Cambodian people's land and economy.

The reason is that the two-headed regime, which has betrayed and sold out the nation, is totally corrupt and has robbed the Cambodian nation and people of everything, bleeding them white in the process. All the rice and other farm products produced by our people have been plundered by the communist Vietnamese and communist Vietnamese puppets. Vietnam has plundered all our people's grain and sent one-third of it back home while the over four million ethnic Vietnamese have eaten another third on the spot. The rest has been plundered by the traitorous administration. This is why the people have nothing left to eat.

The PGNUNS cabinet clearly realizes that the people's famine is an effect of the communist Vietnam's war of genocide. The communist Vietnamese, the communist Vietnamese puppets, and the two-heads have brought about the famine and have ruined the countryside to create starvation as a tool to exterminate the Cambodian race and ruin and encase Cambodia within the bowels of communist Vietnam as in the case of Kampuchea Kraom [ancient Cambodian territory lost to Vietnam in the 17th century]. The situation is most serious. Starvation is not the only problem that is killing our nation. The communist Vietnamese have also been nibbling at our territory. Our economy has also been grabbed by the communist Vietnamese and dishonest businessmen. Forests, fish, and meat have also been plundered by the communist Vietnamese and their puppets.

Communist Vietnam's war, which the alliance and the two-heads are continuing to kindle, is killing our nation and people every day, leading them both to the brink of destruction. Countless numbers of our people have been killed, wounded, or crippled. There are hundreds of thousands of orphans and beggars.

The cabinet realizes that given this situation in which the communist Vietnamese, the alliance, and the two-heads have caused this grave misery to our nation and people, the struggle waged by the resistance forces of our nation and people for national reconciliation and peace against the war of the communist Vietnamese, the two-heads, and the alliance is strengthening by leaps and bounds and spreading more than ever before in the countryside, in Phnom Penh, and abroad. They will not stand idly by with folded arms to let the enemy of the nation and people suck our blood and gnaw our bones as they please. In particular, the resistance movement of people incensed over the land problem, the famine, and the forcible recruitment by the two-heads is flaring up everywhere, in all provinces, districts, communes, and villages throughout the country. They are fighting against the traitorous two-heads' state administration to demand and seize back their rice and land and to resist recruitment.

The people's movement concerning land and rice is entering Phnom Penh, that is, the original source of the social crisis. This movement has kept spreading and broadening into [words indistinct] in the entire society. Nothing can prevent it. This is because, on the one hand, the war of the communist Vietnamese, the alliance, and the two-heads to kill the Cambodian nation and people is still being carried out. On the other hand, the two-heads have served as Vietnamese lackeys. They are very corrupt and have betrayed and sold out the nation and killed the nation and people. More ethnic Vietnamese have kept flowing into Cambodia to swallow up Cambodian territory.

Meanwhile, the recruitment of people as soldiers and militiamen to fight and die endlessly has created a famine that has killed many people. In such a case, no one can stand idly by; everyone is incensed. Everyone has thus risen up to fight for survival and for the defense of the nation and people.

In such a situation — as in the past so in the present — the political stand of the PGNUNS and National Union Party [NUP] is to resolutely and firmly unite and live or die together with the entire nation and people in all circumstances in the struggle to protect our people and defend and preserve nation and race forever.

The PGNUNS and NUP are confident that the entire nation and people will firmly unite and struggle arduously, not fearing death, so as:

1. To prevent the two-heads from continuing the war and recruiting the people as soldiers, militiamen, and labor forces. This is so that the people will have time to farm their land according to the seasons.

2. To demand that the traitorous two-heads return to the people all the land, farms, villages, seas, rivers, streams, and ponds seized by the two-headed administration and Vietnamese nationals.

3. To show that the entire nation and people do not want the arch traitorous, nation-selling, and corrupt clique — the out-and- out lackey of the communist Vietnamese.

The nation and people want an end to the war. They want national reconciliation, concord, and union. They want peace and happiness so that they will have time to earn their living and rebuild the country. Our nation and people want a genuine national government in which the patriots and the clean, honest, and nationalist figures join hands in resolving the national and social problems, including the rural problems. This will enable the peasants to have land, farms, water, dams, dikes, reservoirs, ponds, and water wells so that they can master their production drive by relying on their own forces as well as those of the nation. The PGNUNS and NUP firmly and unswervingly unite with the nation and people and are struggling arduously so as to realize the above goals.

All of this is the gist of the cabinet meeting on Monday, 17 July, concerning which I would like to inform the people.

[Correspondent] Thank you, Excellency. I, as a representative of the PGNUNS radio, would like to ask one question as follows: The two-heads have roamed about begging for aid. What aid have they received and what have they done with it?

[Mak Ben] Yes, what type of aid and who has given them the aid? Since the world community is well aware of the two-heads' nature, they hate them for serving as out-and-out lackeys of the communist Vietnamese, for betraying and selling out the nation, and for being very corrupt. As for the alliance, it has given meager aid to the two-heads and not distributed it to the people. It gave the aid to the two-heads for continuing to fuel the war to kill the Cambodian nation and people. Everyone knows that the aid given to the two-heads since the UNTAC era has never reached the people. It has been grabbed by the communist Vietnamese, the communist Vietnamese puppets, and the two-heads. They used the aid to carry on the war and pocketed a part of it.

This experience clearly shows that the rice begged from various countries cannot solve the problem of the acute famine. The people's starving condition in the past several years has been caused by the communist Vietnamese war, the Vietnamese nationals grabbing everything, and the two-headed regime betraying and selling out the nation and being arch corrupt. Therefore, only after this root cause is eliminated can the famine be quelled and all other problems be resolved.

[Correspondent] Thank you, Excellency.

Khmer Rouge Urge Adherence to 10-Day Plans

BK2007063595 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 19 Jul 95

["Additional communique" issued by the National Army of Democratic Kampuchea on 19 July; place not given]

[FBIS Translated Text] I. The first three months of the rainy season May, June, and July have passed. During these months, there were nine 10-day plans out of 18 for the rainy season in 1995. We have obtained some good initial results in implementing these 10-day plans in the past three months, for we have:

1. Imbued ourselves with the 10-day plans;

2. Implemented the 10-day plans;

3. Examined, learned from, and improved on the 10-day plans; and

4. Reported on the 10-day plans.

However, our successes in imbuing ourselves with and implementing these 10-day plans were only initial.

II. The rainy season of 1995 will last for another three months — August, September, and October — or, in other words, there are nine 10-day plans left to be carried out. Therefore, we must continue to study the 10-day plans in accordance with the 29 April communique of the National Army of Democratic Kampuchea [NADK] so that we will become better acquainted with and more qualified to implement them in a well-planned, systematic, thorough, and persistent manner. We must implement them everywhere, in all fields and sectors. After implementing the 10-day plans, we must constantly study, learn, and improve on them. We must regularly prepare clear reports on the outcome of their implementation so that those on the battlefield will be able to grasp and implement these plans more profoundly and firmly and those who receive the reports will be able to clearly understand what have happened and use the knowledge thus acquired to effectively serve future operations.

In conclusion, it is imperative to study the 10-day plans thoroughly, implement them more successfully, and regularly prepare clear reports on their outcome. Only by being fully imbued with the 10-day plans can we conduct and transform them into the systematic and nerve-center of operations. Only by effectively implementing the 10-day plans can we get real results, gain greater force, and achieve the six knock-downs and five buildups [kamtech pram muoy kar sang pram]. Only by reporting on the outcome of the 10-day plans can we control the operations and see whether the results are satisfactory or not and whether there is any progress in all aspects of the operations so that appropriate measures can be taken accordingly.

The slogan to be constantly remembered is:

Observe the following three do's:

1. It is imperative to study the 10-day plans.
2. It is imperative to implement the 10-day plans.
3. It is imperative to report on the 10-day plans.

Observe the following don'ts:

1. Do not fail to study the 10-day plans.
2. Do not fail to implement the 10-day plans.
3. Do not fail to report on the 10-day plans.

19 July 1995;

[Signed] The NADK

Rubber Plantation Privatization Plan Outlined

BK1907035195 Phnom Penh PHNOM PENH POST in English 14-27 Jul 95 p 12

[Report by Susan Postlewaite]

[FBIS Transcribed Text] The government and the French Development Bank have reached an agreement on restructuring ownership to eventually privatize Cambodia's six rubber plantations.

The plan announced last week calls for the bank to provide a $2 million grant to pay for legal and financial assistance, the training of 40 people, preparation of nurseries and replanting materials and infrastructure redevelopment.

Cambodia's six rubber plantations, mostly located north of Phnom Penh in Kompong Cham, are now owned by the government, but the strategy is to have foreign investors take over and restore them. The plantations were built during the first half of the century by the French. Some of the trees are 60 and 70 years old, which is beyond their productive years, according to an agriculture ministry official.

The prospects for the industry attracting investors are believed to be good. The World Bank's annual report in February said the rubber industry is one of the few areas in which foreign investment may come from companies outside of the Asean countries.

The agreement with the French Development Bank in addition to the assistance and training, provides for the bank to make loans to encourage investment in replanting the rubber plantations and in manufacturing products.

A Ministry of Agriculture official said several critical problems are facing the rubber plantations, including the illegal cutting of trees, smuggling to Vietnam and replanting.

It has been 25 years since any widespread planting was undertaken. Chhun Saret, under-secretary of state for the Ministry of Agriculture, Forestry and Fishery, said the oldest rubber trees planted in the 1920s, 30s and 40s, should be cut.

"But I am worried they will cut down the trees and will not replant." He said the rubber companies "only have time to collect the latex and manufacture. They don't have time to replant."

Companies from Malaysia, China and Indonesia, among other countries, have expressed an interest in Cambodia's rubber companies, said Saret.

Five of the rubber companies are in Kompong Cham, and one is in Kratie Province. One plantation, the Chup Co., is responsible for about 6,000 jobs between collecting the latex, manufacturing the rubber blocks for export, administering the plantation and providing services such as schools for the workers families.

The industry produced about 40,000 tons of rubber last year, worth about $3 million.

Minister of Finance Keat Chhon and Minister of Agriculture Tav Senghuo said in an announcement that the agreement with the French Development Bank is a major step towards the revitalization of one of the main economic resources of Cambodia.

Indonesia

Minister Ginanjar Discusses World Bank Issues

BK1907073895 Jakarta SUARA KARYA in Indonesian 18 Jul 95 pp 1, 11

[FBIS Translated Text] Paris (SUARA KARYA) — Ginanjar Kartasasmita, minister of state for national development planning and chairman of national planning development, said that the government agreed in principle with the World Bank [WB] that monopolistic or cartel-like practices were causing losses to the majority of the people. "But we do not have to agree with the World Bank all the time and this does not mean that we are protecting the monopolistic and cartel-like practices. The reason for saying this is that it is confusing if the World Bank questions the Logistics Board monopoly over the rice trade. The government has instructed the board to ensure that there is a sufficient supply of rice to cater to the huge population and to maintain price stability," he said when responding to Indonesian journalists covering the fourth meeting of the Consultative Group on Indonesia, CGI, in Paris, on Sunday, 16 July.

The journalists had asked questions on matters relating to trade monopoly and cartels, subjects that were raised by the World Bank during a meeting chaired by Saleh Afiff, coordinating minister for economy, finance, and development supervision, which was attended by Sudrajad Jiwandono, Bank of Indonesia governor; and S. Wirjono, Indonesian ambassador to France. In its report prepared for the fourth CGI meeting, the World Bank expressed regret that there were many commodities that were excluded from the deregulation package. The monopolistic and cartel-like practices by some private companies and the Logistics Board were considered harmful to the majority of the people. The World Bank focussed strongly on the Logistics Board's monopoly over the rice trade and control over the prices of primary commodities.

Ginanjar said that the government's move to introduce economic reform through trade deregulation and debureaucratization is not solely in response to suggestions by the World Bank or any party at all. "We issued the deregulation packages because we want a more efficient economy and one that is able to face global competition. We did all this not because the World Bank or any outside party commanded us to do so," Ginanjar said on behalf of Saleh Afiff who requested him to answer questions on monopolies and cartels.

In Stages

Ginanjar, who is also the principal of the Administration Faculty at the University of Brawijaya, said that all groups should realize that the government had been consistent in its efforts to minimize economic obstacles through deregulation packages. The latest deregulation package was issued in May 1995 and was a very comprehensive one that automatically lessened the high-cost economy for several sectors.

"We will continue to minimize economic obstacles and protectionism. If the World Bank or any party found that there were other areas that had not been touched, certainly, we are ready to hold a dialogue session with an open mind. But this does not mean that we should do what the others wanted us to do.

Ginanjar said that it was impossible for the government to issue deregulation packages on everything at the same time. The economic reform measures should be done in stages.

At the least, the government has to pay attention to three main factors before issuing any deregulation package. First, the deregulation or reduction of protection should not, in a wider sense, upset the economic stability. Second, the readiness of the local sectors has to be taken into account. Third, the likely impact of the deregulation package has to be studied as far as its economic gains and losses and advantages and disadvantages for the majority of the people, whose welfare should be improved, are concerned.

Meet Main Donors

On Monday, the day before the opening of the CGI meeting all members of the working team on the deregulation packages held bilateral meetings with delegates of main donors — the United States, France, Japan, the Asian Development Bank, the International Monetary Fund, and the World Bank — at the Prince de Calles Hotel. The Indonesian delegation is staying at this hotel.

As of news time last night, the day-long meetings were still underway and the outcome was not yet known. Coordinating Minister Saleh Afiff had promised that he would provide information to journalists on the outcome of the marathon meeting by midnight.

As usual, various topics were discussed during the bilateral meetings to pave the way for the CGI meeting.

Protesting Bogor Workers, Security Forces Clash

BK1907140795 Jakarta MERDEKA in Indonesian 18 Jul 95 p 1

[FBIS Translated Excerpt] Bogor, Tueday, MERDEKA — At least 6,000 workers of the PT [company limited] Great River Industries, (GRI), 400 workers of the Nanggewer-based PT Gemini in Bogor District, and several students staged a protest demonstration by walking 6 kilometers to the district DPRD [House of Representatives] building to report their situation.

At 0700 West Indonesian Time [WIT] [0000 GMT] thousands of PT GRI factory workers started gathering in front of the factory in Cibinong. Eventually, several students sympathetic with the workers joined in the protest demonstration.

However, 42 minutes later, a truckload and three jeeploads of members of the Mobile Brigade arrived at the scene. The forces approached the demonstrating workers, creating a tense situation. But the workers were determined to proceed to the district DPRD building.

Some 15 minutes later, the demonstrators, including the students, made orations on the bridge leading to the factory. By this time the number of protesting workers had swelled to about 6,000. They had also persuaded the masses to join in the demonstration. But when it came to the SPSI [Indonesian Labor Union] chairman's turn to address the crowd, the workers shouted: "The SPSI is impotent, it takes bribes... it takes bribes!"

At 09.00 WIT, the number of crowd had reached 10,000 people. They began to move toward the Bogor District DPRD building. The Long March [two preceding words in English] was held in an orderly manner. The workers carried two big posters each written with the words: "The Indonesian labor struggle center (PPBI)," and "The national minimum wage should be 7,000 rupiah. Stop the military's interference."

After walking over one hour and 15 minutes, the protesting workers arrived at the Bogor District DPRD building. But the protesters failed to see any member of the DPRD because the Anti-Riot Force, armed with shields and rattan sticks, formed a tight barricade around the building. Somehow, the workers managed to persuade the members of the force to withdraw and they made their way towards the building.

Although the situation in front of the Bogor district DPRD building was tense, the protestors managed to make another oration. The local manpower department and SPSI officials tried to persuade the crowd to select their representatives for negotiations, but the call was ignored.

When the situation started getting out of control, the Anti-Riot Force began beating the demonstrators with their rattan sticks. Some members of the force had tear gas (but did not use it). Several activists were arrested.

The capture of several activists worsened the situation. The demonstrators remained in front of the district DPRD building to demand the release of their friends. The security forces then persuaded the crowd to stop the demonstration.

At about 11.30 WIT, the crowd decided to leave the demonstration, returning home in stages. However, a crowd of about 3,000 people remained in front of the district DPRD building to wait for the release of their friends. [passage omitted on workers' plan to continue demonstration on next day]

Philippines

'Stabilizing' Effect of U.S.-SRV Ties Seen

BK1907133395 Manila MANILA STANDARD in English 18 Jul 95 p 4

[FBIS Transcribed Text] Senator Blas Ople, chairman of the Senate committee on foreign relations, yesterday said normalization of the diplomatic ties between the United States and Vietnam will serve as a "stabilizing" factor in the bid for the peaceful resolution of the Spratlys row in South China Sea.

Sen. Ople echoed the optimism aired the other day by President Ramos who belittled the threat of military aggression from neighboring China which continues to lord it over the Spratlys row.

The president also noted that the external security threat in the Philippines has greatly diminished with the end of cold war between the two superpowers, the United States and Russia. The latter had supported Vietnam.

The latest development in the Spratlys row is among the foreign policy issues that members of the Senate will tackle in their forthcoming Senate legislative workshop on July 20-21 to be held at the Evercrest Country Club in Nasugbu, Batangas.

Foreign policy experts led by Foreign Affairs acting Secretary Domingo Siazon will brief the 24 senators headed by Senate President Edgardo Angara on the ramifications of the country's claim over the mineral-rich chain of islands in the Spratlys contested by six country-claimants, including the Philippines.

The conflicting territorial claims also involve China, Vietnam, Brunei, Malaysia, and Taiwan.

"We hope to get useful inputs on how to strike a careful balance of foreign policies that are protective of our national interests and at the same time responsive to the diplomatic sensitivities of friendly states," Angara said on the objective of including the Spratlys row in the agenda of the Senate legislative workshop.

Sen. Ople, who will chair the Senate legislative workshop on the discussions on Spratlys and other foreign policy issues and concerns, yesterday said that the Philippine Government can expect an improvement in the tense situation in this part of South China Sea with the restoration of the diplomatic ties of the United States and Vietnam.

Sen. Ople, who has been closely watching these latest developments, noted that while there will not be much change in the bilateral relations of the United States and the Philippines with the normalization of the United States diplomatic ties with Vietnam, this, however, will usher in an improvement of the brewing situation in South China Sea triggered by Beijing's military occupation of some of the disputed atolls and reefs around the area.

Ople said that China's bullying tactics in the Spratlys dispute would be put in check now that Vietnam and the United States have agreed to bury their past animosities.

Ople recalled that even in the past, or before the United States and Vietnam renewed their ties, Vietnam was the only country-claimant of Spratlys which has the military might to challenge China's superior military strength over the other country-claimants like the Philippines.

Ople believes that the United States-Vietnam renewal of ties will also expedite the accession of Vietnam to the Association of South East Asian Nations (ASEAN) to which the Philippines is one of the six-member states.

"The ascendancy of Vietnam to ASEAN would be highly stabilizing in the region," Ople said. "It also stabilizes the situation (in Spratlys) because it will make Beijing respectful of ASEAN's clout and bilateral negotiations."

Sen. Ople will be joined by other foreign experts who will brief the senators on the Spratlys and other foreign policy issues, including the plight of abused Filipino overseas workers abroad and what government measures can be taken without endangering the Philippine diplomatic relations with these labor-importing countries.

Background on Upcoming Spratlys Talks With PRC

BK2007122995 Manila BUSINESS WORLD in English 19 Jul 95 p 12

[FBIS Transcribed Text] Foreign Affairs Secretary Domingo Siazon will hold bilateral talks with Chinese Foreign Minister Qian Qichen next week in Brunei to discuss issues and concerns on the South China Sea question.

The two officials are expected to tackle the sovereignty issue as well as multilateral development projects and a code of conduct in the contested area.

Mr. Siazon said his meeting with the Chinese foreign minister will give him a clearer perspective on Beijing's attitude on the sovereignty issue and its official position on multilateral development undertakings in the area.

"There are very good signals (that we've been getting) from Beijing on the South China Sea question. I believe they have agreed to discuss the sovereignty issue, not just on the basis of historical claims but through the UNCLOS (United Nations Convention on the Law of the Sea) as well," he told reporters yesterday.

Beijing has reportedly been receptive to some of Manila's proposals on the South China Sea issue. Foreign affairs officials here view these developments as "positive changes" on China's attitude on the Spratlys question.

A Chinese Embassy official said China is ready to face pressure from other claimant countries on the South China Sea issue. Chinese officials in Beijing are studying the UNCLOS to define China's territorial claim.

He said Foreign Minister Qian will discuss China's position on the Spratlys question when he meets with the ASEAN foreign ministers early next month in Brunei.

The recent visit to Beijing of former Ambassador to China Alfonso Yuchengco was said to have given Manila a "clearer basis" in pursuing multilateral projects in the area.

Mr. Yuchengco heads the private sector component of the Marine Development Policy Task Force, a special committee created by President Ramos to address the Spratlys issue from a purely commercial standpoint.

During Mr. Yuchengco's visit, Beijing gave assurances that it is open to any multilateral endeavors in developing the Spratlys into commercially viable entities.

Diplomatic sources said utilizing the private sector will force Beijing to take concrete steps in pursuing multilateral development undertakings with the other claimants.

"China would get the upper hand if joint development would be done bilaterally. So the government has got to show them that we are interested in commercial pursuits so that the other claimants could join," the sources said.

Manila and Beijing figured in a diplomatic tussle last February when Chinese military structures and naval vessels were spotted on Mischief Reef which the Philippines claims.

Meanwhile, Mr. Siazon will also hold bilateral meetings with some 14 foreign ministers when he visits Brunei next week to attend the ASEAN Ministerial Conference, the ASEAN Regional Forum, and the Post Ministerial Conference from July 28 to August 3.

Ramos Okays Military Unit for UN Forces in Iraq

BK2007054595 Quezon City Radio Filipinas in English 0230 GMT 20 Jul 95

[FBIS Transcribed Text] President Ramos approved, Wednesday, the deployment of a 20-man contingent to Iraq as part of United Nations peace keeping force in that war-torn country. The Philippine contingent, together with counterparts from New York, Geneva and Vienna will be tasked to protect UN personnel and provide escort duties to relief convoys in Iraq. At present, the UN guards contingent in Iraq also provides protection to 4,000 volunteers tasked of facilitating emergency assistance programs to the most vulnerable population group in Iraq's northern areas. President Ramos told the press conference the deployment of the Philippine contingent to Iraq underscores Philippine commitment to the UN's (?promise) of maintaining international peace and security and of dealing with humanitarian problems.

Ramos Claims Insurgent Forces Dwindling

BK2007132295 Manila MANILA STANDARD in English 17 Jul 95 p 2

[Report by Fel V. Maragay]

[FBIS Transcribed Text] President Ramos said yesterday the government enjoys the upper hand in the peace negotiations with various insurgent groups because their forces have continued to dwindle.

The Ramos administration seems unfazed by the suspension of the peace talks with the National Democratic Front [NDF] whose leaders are based in Utrecht, Netherlands. It is exploring the possibility of pursuing the peace process through negotiations with locally- based communist dissidents.

Speaking at the 38th anniversary of the Intelligence Service of the Armed Forces of the Philippines [ISAFP] at Camp Aguinaldo, Quezon City, the president said the intelligence community was right in its assessment that the various insurgent forces, particularly the NDF-Communist Party of the Philippines and Muslim rebels, have considerably weakened.

"The internal threats to our national security have considerably declined these past several years, providing us the golden opportunity to redirect our efforts from the taxing job of countering insurgency to the more urgent business of national modernization," the chief executive said.

Mr. Ramos, former AFP [Armed Forces of the Philippines] chief of staff and a veteran of many military campaigns against rebels, said intelligence projects mounted by the ISAFP have deeply undercut the collective strength of the insurgent forces at the highest level of their leadership.

This, he said, has placed the government "in a more advantageous position in its peace negotiations with dissidents."

The government is also confident that its peace talks with the Moro National Liberation Front will succeed despite wide differences over a number of fundamental issues.

The problem of military rebels, on the other hand, has been virtually solved as many of them have availed of government amnesty while some even ran for public office in the May elections.

Downplays China threat

Mr. Ramos said even the external security environment has greatly improved with the end of the cold war between the two superpowers, the ideological defeat of communism and the world-wide triumph of liberal democracy.

He belittled the threat of military aggression from neighboring China which continues to challenge Philippine sovereignty over the Kalayaan Group of Islands in the South China Sea.

"The recent intrusions of China into the outlying portions of Kalayaan Group of Islands is not to be taken as serious military threat to our external security, at least for the moment," the chief executive said.

China has set up a naval outpost on the Panganiban Reef within the Kalayaan archipelago. The naval outpost, complete with communication gadgets and refueling facilities for warships, was made of pre-fabricated materials.

At first, China tried to conceal the naval outpost by claiming it was intended as a floating station for Chinese fishermen.

Beijing warned Manila that it would not hesitate to use force to assert its ownership over the islands. The warning was issued after the Armed Forces of the Philippines destroyed territorial markings installed by the Chinese Navy in some islands within the Kalayaan group.

The president expressed the belief that the situation at Kalayaan can still be handled effectively without resorting to direct military action, saying the Philippines "stands on strong moral ground on this issue."

He recalled that at the National Security Council meeting last February 15, he stated that the country's position of "right is might" would be upheld by international support.

"We have been proven right and world opinion has swung to our side," he said.

Not submissive

The president said that while the Philippines continues to remain consistent with the Manila ASEAN Declaration of July 1992 for the peaceful resolution of the Spratlys dispute, the country's conciliatory posture must not be taken as a sign of submissiveness.

"Neither should it be misconstrued as lack of political will to assert our rights and protect what legally belongs to us," he said.

Mr. Ramos said that while the internal and external environment continues to improve, ISAFP should pursue a productive peacetime role for the attainment of national goals and objectives.

He said ISAFP has taken the right path by launching "Oplan Kaunlaran [Operation Progress]" which involves the gathering and processing of economic data.

The president also lauded the ISAFP for its participation in the government's effort to dismantle syndicated crimes.

"The effective employment of your technical and intelligence- trained personnel in the anti-crime drive, in close coordination with other law enforcement agencies, has greatly helped in fostering an improved climate of law and order," he said.

Police Deny Terrorists 'Roaming Around Manila'

BK2007095495 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 20 Jul 95

[FBIS Translated Text] The National Capital Regional Command [NCRC] of the Philippine National Police has denied a report that terrorists are roaming around Manila.

According to Colonel Dominador Rasos, NCRC deputy director for administration, Manila residents should not be alarmed by the report because no terrorists have entered Manila. Colonel Rasos gave an assurance that the police are continuing to monitor and launch operations against the terrorists, particularly in Metro Manila.

Government, Military Rebels Resume Peace Talks

BK2007094895 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 20 Jul 95

[FBIS Translated Text] Negotiations between the government peace panel and the Revolutionary Nationalist Alliance [RAM]-Soldiers of the Filipino People-Young Officers Union resumed today. The talks are currently held at the Armed Forces of the Philippines office of the secretary of commissioned officers club.

Both sides will tackle the issue of whether to give RAM officials involved in a coup d' etat a chance to return to the service.

General Fortunato Abat and Congressman Bonifacio Gillego represented the government panel in the talks while Captain Danilo Lim and Brigadier General Edgardo Abenina represented RAM.

The negotiations had been stalled for three months due to the recent elections.

Private Ramos-Misuari Meeting 'Not Proper'

BK1907072295 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 18 Jul 95

[FBIS Translated Text] Malacanang has announced that the idea of a one-on-one meeting between President Ramos and MNLF [Moro National Liberation Front] Chief Nur Misuari is a remote possibility. According to Executive Secretary Ruben Torres, it is not proper for President Ramos to be involved in the negotiations to finalize the remaining details of the government's formal peace agreement with the MNLF. Torres added that President Ramos has entrusted the GRP [Government of the Republic of the Philippines] panel, headed by peace adviser Manuel Yan, to settle whatever differences remain in the peace talks.

NDF Seeks To Continue Peace Negotiations

BK1907101495 Manila PHILIPPINE DAILY INQUIRER in English 15 Jul 95 p 2

[Report by Jerry Esplanada]

[FBIS Transcribed Text] The National Democratic Front [NDF] still wants to continue peace negotiations with the Ramos administration, contrary to claims by one of its leaders.

Luis Jalandoni, chair of the NDF negotiating panel, yesterday said, "it is the government panel that is afraid and is now refusing to go on with the talks."

In a press statement, the Netherlands-based communist leader said they were "prepared to wait for the government panel to disentangle itself from its own dilemma."

The government panel broke off negotiations after the NDF demanded the release of captured New People's Army commander Sotero Llamas.

Jose Ma. [Maria] Sison, Communist Party founding chairman, the other day said they would resume talks only after the term of President Ramos, whom he called a "lame duck president."

Sison also said they preferred talking peace with the "next president" since the Ramos administration is "hell-bent on terminating the peace negotiations."

Sen. [Senator] Blas Ople yesterday dismissed Sison's threat as a bluff. Ople said the government should be prepared to scuttle talks with the NDF should its leaders insist on displaying arrogance.

Foreign Partners Sought for Visayas Phone Upgrade

BK1907101295 Manila MANILA STANDARD in English 15 Jul 95 p 12

[Report by Joubert Burgos]

[FBIS Transcribed Text] Telecommunications firm Isla Communications Co. Inc. (Islacom), owned by the Cebu-based Delgado Group and Chinnawat of Thailand, is looking for foreign and local investors to help finance its P[Philippine pesos]21 billion telephone program in the Visayas.

Islacom president Jovino Lorenzo said his group has been talking to European telephone firm Deutsche Telekom of Germany and British firm Cable and Wireless for a possible stake in Islacom since early this year, but that an agreement has not been reached.

He said "we need the expertise of foreign telecommunications firms to help Islacom in building and operating its 700,000-line local exchange network in the Visayas."

Islacom, being both an international gateway facility and cellular phone operator, is obliged under Executive Order 109 or the so-called"free-for-all" phone policy to put up at least 700,000 landlines in its service area in the Visayas.

Industry sources said existing shareholders of Islacom are not bent on investing heavily in the local exchange business which requires huge investment but offers low returns compared to other services such as gateway and cellular.

The sources said this was the reason Islacom had approached the Philippine Communication Satellite Corporations (Philcomsat) for a possible investment in their local exchange project in the Visayas.

Philcomsat has a monopoly of the international satellite having been the only signatory of the Philippines to the International Satellite Consortium.

It has been scouting for possible investments in the domestic telephone business since Congress granted it a "mega-franchise" to offer satellite and telephone services. The move will still make Philcomsat profitable despite government's move to demonopolise the satellite business.

Ramos Approves Northwestern Luzon Growth Area

BK1707143395 Manila MANILA BULLETIN in English 14 Jul 95 p B-8

[FBIS Transcribed Text] President Ramos has approved in principle the master plan for the Northwestern Luzon Growth Quadrangle development program (Quad) aimed at accelerating growth in the area.

The president also directed the Quad commission to coordinate and supervise the strategic projects costing an estimated P [pesos] 7.65 billion supporting the development program.

The provinces of Pangasinan, La Union, Ilocos Norte, and Ilocos Sur and the areas of the Cordillera Autonomous Region specifically Baguio City, La Trinidad, Itogon, Sablan, and Tuba comprised the Quad area.

Acting Trade Secretary Melito S. Salazar, who made the presentation of the Quad program in Malacanang the other day, said the projects cover agricultural, industrial, and tourism activities.

The objectives of the master plan are:

— the reduction of poverty level from the current 50 percent to 25 percent by the year 2015 in the quad area;

— generate new jobs averaging to 40,000 yearly;

— keep unemployment at 5 percent level;

— and promotion of industrial dispersal.

Salazar said these initiatives will help speed-up the Quad's integration into the global market.

"The Quad must look outward and join the global economy," Salazar said.

He expects Quad to capture more investments, attract relocating industries, and widen its entrepreneurial base under the coordinated implementation of its development master plan.

"Opportunities for business and investment abound in the Quad growth region," Salazar said.

Foreign investors, he said, can explore business opportunities in the agricultural projects such as fresh and processed food products that remained largely untapped.

Businessmen can also set up small scale production in high-value fashion accessories and leatherware and venture into the profitable backward linkages with big automotive assemblers and car parts manufacturing sector and other viable projects, he said.

Others include tourism and tourism-related projects, and service exports like computer data encoding springboard of the country to Japan and to the Asian tiger economies — Taiwan, South Korea, and Hong Kong.

Thailand

New EU Tariff Adjustment Scheme Assessed

BK1907042995 Bangkok BANGKOK POST in English 18 Jul 95 pp 15, 26

[Report by Chirathat Niwatphumin and Somphon Thapanachai]

[FBIS Transcribed Text] A new Generalised Scheme of Preferences [GSP] to be adopted by the European Union will cause preferential tariffs on six Thai product categories to be halved from January 1, 1997.

Preferential tariffs will be reduced by 50 percent for plastics and rubber goods, leather products, clothing, footwear, jewellery and precious metals, and miscellaneous products.

GSP benefits are then to be completely withdrawn in 1998, representatives of the EU told a seminar jointly sponsored by the economic community and the Commerce Ministry.

"GSP was never conceived as an instrument for ever. GSP would come to an end when its objective was fulfilled, namely industrial development," said Francois Nizery, head of the GSP Unit, Directorate-General for External Economic Relations.

The EU revamped GSP at the start of this year to better reflect changes in the global trading environment. The new arrangement, which covers only industrial products, implements two systems for GSP — one for tariff adjustments and the other a graduation system for tariff levels.

The tariff adjustment mechanism divides industrial products into four categories. Nonsensitive products such as various chemicals and paper products are duty-free. Semisensitive products such as certain ceramic products are taxed at 35 percent of the Common Customs Tariff [CCT] duty, or 2.1 percent of the product cost.

Sensitive goods such as certain electronic appliances are subject to a 4.9 percent duty, 70 percent of the CCT, while very sensitive goods, such as textiles, are now subject to a 7.6 percent tariff, 85 percent of the CCT.

Wirachai Nopsuwanwong, Thai commercial counsellor to Brussels, said more than 50 percent of Thai exports to the EU under the old GSP scheme were now classified on the very sensitive list.

Sensitivity is determined by the likely impact of imported goods on domestic production and politics.

The mechanism on tariff levels replaces the previous scheme that granted zero tariffs and had quota and ceiling limitations on the amount of goods able to be exported to the EU. The new system bases GSP benefits on the relative industrial development of each product sector.

Mr Nizery denied the new scheme reducing preferences was due to decreased competitiveness of European industries, saying the system was redesigned to give increased advantage to countries most in need.

A Thai source said, however, the tariff adjustment mechanism's scale was motivated mainly by the potential impact on domestic industries in EU member states.

In addition, the new scheme is active for four years, as opposed to the old system which was reviewed annually. A special incentive system has been established which benefits countries meeting certain environmental and social requirements.

Traditionally, GSP was used as a one-sided policy instrument to encourage the industrialisation of developing countries. Often, such countries could not benefit from trade mechanisms such as the General Agreement on Tariffs and Trade, which depend on multilateral agreements on market concessions. Thus, the programme acted as an alternative trade instrument.

The EU now believes that developing countries better understand the potential benefits of trade liberalisation and trade mechanisms such as the World Trade Organisation, GATT's successor. Therefore the EU sees GSP as complementary to those multilateral trade systems.

"It's clear we have to reconsider the objectives of GSP in order to re-balance the benefits to countries which need more assistance," Mr Nizery said.

Thailand was partly industrialised and, as a result, subject to the new graduation system.

He emphasised that for certain sectors Thailand would continue to enjoy GSP benefits and noted that the country was poised to have a competitive advantage over other countries in the region such as Hong Kong, South Korea and Singapore. These three countries, which registered gross domestic products topping US$6,000 in 1991, have already experienced a 50 percent loss of GSP benefits since April and are due for complete withdrawal of these incentives from January 1, 1997.

Mr Nizery said the new GSP agricultural programme, to be introduced next year, would be effective for three years and be similar to the industrial scheme. Products would also be classified on the basis of sensitivity to the European agricultural sector.

Oranut Osathanon, director-general of the Department of Foreign Trade, said recent developments in global trade made it necessary for exporters and government officials to understand the consequences on Thailand.

"There have been dramatic changes in economic situations around the world, among which are the conclusion of the Uruguay Round (under GATT) and the establishment of the World Trade Organisation [WTO]."

She said it was important for Thai exporters to improve the quality of their products to a competitive level and not to rely too much on GSP as the benefits were only temporary.

Further development of cooperation between Thailand and the EU, for both the public and private sectors, is a goal for the trade community, according to Daniel Descoutures, counsellor with its delegation to Thailand.

He said the EU was determined to press for the full opening of markets, as well as for the protection for intellectual property rights and the enforcement of standards.

He said the EU was the third largest market for Thai goods in 1994, representing 15 percent of total Thai exports. Imports from the EU that year were second largest, at 13.7 percent, or worth about 13 billion baht. In 1993, the EU was the third largest investor in Thailand, with about 15 percent of the total.

Mr Descoutures called on Thailand to support the WTO as a means of furthering development of global trade and investment.

Mrs Oranut said the recent decision by the United States to levy anti-dumping duty on Thai exports of canned pineapple would be difficult to review or change, because the committee considering the issue voted 6-0 in favour of the measure.

She said the exact duty on Thai canned pineapple would depend on the company involved, but that the sector as a whole would be subject to an increase in levies of up to 22 percent.

The Commerce Ministry is likely to submit a report to the US State Department about the effects the US action will have on pineapple growers and the overall Thai economy.

Mrs Oranut said it was a positive sign that the US had reopened diplomatic relations with Vietnam. It demonstrated a belief in the potential and stability of the Vietnamese Government and economy and was a welcome development considering Vietnam's imminent membership of ASEAN.

Foreign Minister Comments on Thanong Extradition

BK1907032795 Bangkok BANGKOK POST in English 19 Jul 95 p 3

[FBIS Transcribed Text] Newly-appointed Foreign Minister Kasemsamoson Kasemsi has vowed not to interfere in the extradition of former Chat Thai MP for Nakhon Phanom Thanong Siriprichaphong to the US to stand trial on charges of marijuana smuggling.

The Criminal Court on Monday ordered Mr Thanong to be extradited to the US as he was charged there with importing over 49 tons of marijuana from 1973 to 1987.

The case had already been handled by the last government and the court's order required obedience, M.R. Kasemsamoson said.

However, Mr Thanong can still lodge an appeal over the verdict with a higher court, he said.

Asked to comment on Prime Minister Banhan Sinlapa-acha's plan to set up a committee to seek information related to the US drug allegations against other Thai politicians, M.R. Kasemsamoson said that the accused had the right to defend themselves.

The minister said his first job in office was to represent Thailand in the annual meeting of ASEAN foreign ministers in Brunei later this month.

M.R. Kasemsamoson said he needed a little time to prepare himself for speeches at the meeting because he has not participated in a forum for a long time.

He said he would also review Thailand's policies towards Cambodia and Burma to see why border problems with these countries have not yet been solved.

Commenting on why some Nam Thai Party MPs had criticised his nomination, M.R. Kasemsamoson, who failed to get elected said Nam Thai Party leader Amnuai Wirawan had already explained this to all party members.

The Nam Thai leader said that Prime Minister Banhan had specified the choice of foreign minister, M.R. Kasemsamoson said.

Mr Amnuai maintained yesterday most of his party members had not objected to his decision appointing M.R. Kasemsamoson as foreign minister.

Mr Amnuai said Nam Thai members have trusted him in selecting M.R. Kasemsamoson to assume the Foreign Ministry portfolio. The members have also said they would leave Mr Amnuai to decide who was suitable to take up cabinet posts under the party's quota.

His comment was in response to a report about the distribution of leaflets attacking M.R. Kasemsamoson over his appointment. The Nam Thai leader said it was difficult to work out a list of ministers which would please everyone.

Some party members who oppose the appointment should heed the voice of the majority who support M.R. Kasemsamoson, the party leader said. It was high time the row over the matter is settled.

Mr Amnuai said he paid no attention to the leaflets, adding that M.R. Kasemsamoson was fully qualified to handle foreign affairs.

The party members understand that there must be space for compromise because it is impossible for everyone to be given a position in the Government, he said.

Party secretary-general Col Winai Somphong said the last party meeting resolved to give Mr Amnuai full authority to choose the members to fill the party's ministerial posts.

Narong 'Ready' To Take Interior Minister Post

BK1907041495 Bangkok BANGKOK POST in English 19 Jul 95 p 3

[FBIS Transcribed Text] The Thoet Thai faction will not create any problems for the Chat Thai Party, faction leader Narong Wongwan said yesterday after the royal appointment of the new Cabinet.

He denied the report that the Thoet Thai faction had bargained for a portfolio and was at odds with the party over the Cabinet line-up.

"It took a long time to establish the new Cabinet so others might assume that there had been conflicts," Mr Narong said.

The Thoet Thai faction had never opposed Chat Thai Party on the issue of ministerial positions, he said, adding it totally supported the party's resolutions.

Premier and Chat Thai Party leader Banhan Sinlapa-acha was fair to assign Interior affairs to the Thoet Thai group, Mr Narong said.

"I'm confident that Khun Banhan will perform his duty well although he holds two portfolios (of Premier and Interior Minister) because he has many deputies (at the ministry)," Mr Narong said.

Mr Narong said he is ready to become Interior Minister after clearing up allegations he was involved in drug trafficking.

NEW YORK NEWSDAY reported that the US Central Intelligence Agency's allegations about Mr Narong had been based on false information.

Mr Narong said a reporter of the paper who he had never before met had interviewed him by telephone.

The accusations would soon be clarified, Mr Narong noted.

Many other Thai people had also faced similar accusations, some of which were groundless, he said.

Article Discusses Reaction to New Cabinet Lineup

BK1907040695 Bangkok THE NATION in English 19 Jul 95 pp A1, A2

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha yesterday assumed the interior portfolio and unveiled his Cabinet line-up that surprisingly included his personal adviser Surakiat Sathianthai as finance minister and immediately was lambasted by critics.

His Majesty the King gave royal approval to the new Cabinet line-up in which the Chat Thai Party took full control of the Finance Ministry.

Chat Thai MPs [members of parliament] Newin Chitchop and Praphat Phosuthon were appointed deputy finance ministers.

The stock market fell 24.37 points at the close, prior to the official announcement later in the evening.

The fall was seen by analysts as an expression of disappointment over the new Cabinet, after unprecedented infighting over the past two-and-a-half weeks for ministerial posts among MPs in most of the seven-party coalition parties.

"I'm disappointed," said Kroekkiat Phiphatseritham, rector of the University of the Chamber of Commerce. "Banhan obviously did not give priority to individual qualifications. The Cabinet formation was influenced by factional struggle. This will affect national stability and undermine investors' confidence."

Banhan also took up the demanding Interior Ministry portfolio, in a balancing act designed to settle a dispute between two senior members of his party, who represent two different factions.

In his first formal statement as finance minister, Surakiat called for public confidence.

"We will adhere to maintaining the stability of the economy, fiscal discipline and policy transparency... I can work with the two deputies," he said.

Surakiat said Banhan had agreed to give him a free hand. "We agreed that I could work independently, according to principle, and not in favour of the party nor anyone... Yes it is a tough job," he added.

Banhan defended the appointment of Surakiat, 37, a non-MP who is dean of Chulalongkon University's Faculty of Law.

"There have been many opinions. Some said a banker would not be suitable while others argued that we should pick a local and international economics expert.

"But even I, who am not a professional, was finance-minister in 1990. I was able to perform with the cooperation of the ministry's officials," Banhan said.

"I believe he will do well. He is young and energetic," Banhan said of the Harvard graduate in international trade law.

Banhan said his government considered fiscal and budgetary reform as second in importance, following political reform. He previously had repeated that the finance minister under his government would be an outsider.

But many other academics shared Kroekkiat's view. "Absolutely we can't be optimistic with this government," said Sangsit Phiriyarangsan, chief of the Faculty of Economics' politico-economy centre, Chulalongkon University.

"Many wrong men in the wrong places," said Amon Raksasat, a leading political scientist of the National Institute of Development Administration.

According to many Chat Thai Party sources, other nominations were put forward to the prime minister, including prominent bankers and the director of the Budget Bureau. But Banhan hand-picked Surakiat at the last moment.

The prime minister was unperturbed by the share price fall yesterday, saying that the share index would eventually go back up.

Surakiat said the Stock Exchange of Thailand (SET) movement yesterday was in a "natural direction".

Banhan said it was not abnormal for one party to take complete control of a ministry, although this was the first time it had happened with the Finance Ministry.

Newin, the outspoken Buriram MP, immediately boasted that Surakiat did not have much experience in fiscal affairs and that he would have to help out.

Surakiat said was not without experience, as he was a member of the team which had drafted the value added tax (VAT) law and had worked with the Bank of Thailand on the inflation issue.

He said he would aim to boost Thailand's competitiveness within the Asean Free Trade Area (Afta) and the Asia Pacific Economic Cooperation (Apec), speed up financial liberalization, and help lower the cost of doing business through lower taxation.

Sources said Surakiat is expected to be able to work well with central bank governor Pichit Suphinit on inflation-related issues, which the Bank of Thailand is in charge of.

Surakiat will be flanked by a team of advisers from academic institutions and the Bank of Thailand.

Dr Suphat Suphachalasai, an economist at Thammasat University and one of Banhan's key advisers, said he was ready to work full time to help Surakiat and to help coordinate budget issues with the prime minister.

"We want to emphasize fiscal decentralization," Suphat said.

Finance Ministry officials said in separate interviews that they could accept Surakiat at a certain level but that political interference is likely to prevail given his lack of experience and knowledge in fiscal affairs.

Bankers reacted to Surakiat's appointment with caution. One of them noted that the new finance minister may be acceptable internationally, but only in the legal field.

They indicated that he might have problems working with his two deputies.

They said the new government had already been plagued by outright hostile infighting among MPs hungry for ministerial posts, which showed that they placed self and vested interests before the national interest.

Sasithon Withayarangsan, senior vice president of Morgan Grenfell Securities Co, said the new Cabinet was a disappointment. Investors do not believe that the new finance minister has sufficient experience, she said.

But she said foreign investors did not express much reaction. "From the conversations I have had with foreign investors, they will come in if the stock market falls."

"Tomorrow (today) the market is likely to fall," she said.

Chettha Mimangkhang, vice president at Prime Finance and Securities Co, echoed the view that the exchange would fall again today.

Investors will be worried about the new Cabinet's ability to solve the country's widening current account deficit, capital inflow and inflation. Foreign investors have switched from speculative stocks into fundamental stocks, he said.

An analyst from Credit Lyonnais said most of the negative reaction would come from local investors, while foreign investors would wait and see how the new government does. There are many supporting factors besides politics, he said.

Editorial Sees No 'Euphoria' in Banhan Cabinet

BK1907084995 Bangkok THE NATION in English 19 Jul 95 p A 8

[Editorial: "Banhan's Cabinet: So Where Is the Euphoria?"]

[FBIS Transcribed Text] The Cabinet of Prime Minister Banhan Sinlapa-acha was finally formed today, 16 days after the July 2 general election. Unlike the formation of the previous Chuan Likphai Cabinet, the euphoria this time is notably absent.

Instead, many Thais are predicting the fall of the Chat Thai-led coalition within six months. Academics and political analysts have put forward that the diverse coalition may not last long because of possible widening of political differences both between and within the parties.

The Banhan's so-called "Dream Team" lacks the professionals and technocrats to portray the image of a clean, efficient and trustworthy administration. With the old faces back, there is pessimism. There's nothing to hope for in terms of the betterment of the living standards of Thais.

Though there might be a boost in the economy because of Chat Thai's laissez-faire policies, many economists, however, have injected a note of caution. They warn that Thailand's economy at this stage cannot afford to be overheated because it would affect prices tremendously, thus fuelling high inflation and causing hardship to people in the provinces.

'Vicious Cycle'

The common trait in Thai society is that during good times, many tend to criticize and complain without offering any alternatives. This was clearly evident during the Anan II and Chuan administrations. When Thai politics goes back to square one, with the overwhelming possibility of the "vicious cycle" rearing its ugly head again, these same critics would reminisce of the days when the government was at least respectable.

In view of such emerging trends in Thai politics, the pro-democracy groups need to have a definite focus in consolidating democracy in the country. They were the ones responsible for ushering in the Chuan administration in September, 1992 and, ironically, they were also responsible for the House dissolution in June and the calling of new elections. The Chuan Likphai that the pro-democracy groups hailed in 1992 became their enemy in 1995. So, where is this leading the country?

To be harsh, the clock has been set backwards for Thai democracy with the reemergence of the old-style politicians. Instigating Chalat Worachat to stage a hunger strike in front Parliament will get the country nowhere if proper alternatives are not in place.

If we can pat our backs and console ourselves that democratic principles work in the country compared to our neighbours every time an election is called, then it would serve us some good if we were to seriously consider Poll Watch's findings. The polls watchdog body clearly stated that the July 2 election saw vote-buying at an alarming level. If we maintain that the poll was free and fair, then it's high time we think twice.

A Vocation

We need competent people to run the country and family members brought into the Cabinet by politicians, just to fill in their party quotas, certainly do not fit in this bill. Administering the nation is a vocation and not a sundry shop-like business.

The next few months would prove crucial to the country's international reputation, with Thailand attending the forthcoming Asean Ministers' Meeting in Brunei and later hosting the Asean Summit at the end of the year. The regional grouping is moving towards new horizons with the co-opting of Vietnam as Asean's seventh partner. Thailand will be expected to play a more dynamic role in the new expanded Asean, and towards this end the country's policies have to incorporate the emerging realities in the region.

Because of this, Thailand cannot afford to be inward-looking. The country needs leaders with a vision for the country in the 21st century, not ones who are willing to form unholy alliances with dark forces and dubious characters, just to bleed the country dry.

If the old-style politicians in the Chat Thai-led coalition are serious in wanting to redeem themselves in the eyes of the public, now is the time to do so. Should they fail, the current dismay could give rise to widespread public resentment.

Dailies Disappointed With New Cabinet Lineup

BK1907135195

[FBIS Editorial Report] Three Bangkok vernacular dailies — SIAM POST, NAEO NA, and KRUNGTHEP THURAKIT — on 19 July carry editorials and a commentary on the instabilities of the new cabinet of Prime Minister Banhan Sinlapa-acha.

SIAM POST's 400-word editorial, on page 4, entitled: "Black Democracy," praises the quick formation of the new cabinet only 16 days after the general election, noting: "The new cabinet is expected to present its policy statement to the National Assembly in the next few days, but the previous bickering among the coalition parties over the portfolio distribution has adversely affected its credibility and popularity."

Admitting that the Chat Thai Party has the people's mandate to form a new coalition to administer the country, the editorial points out that "the seven parties in the new coalition are weak and rather disunited because they are not really satisfied with the distribution of portfolios. Meanwhile, the opposition bloc is closely monitoring such developments.

"The alliance of seven coalition parties, namely, Chat Thai, New Aspiration, Social Action, Phalang Tham, Prachakon Thai, Muan Chon, and Nam Thai is very fragile. They are not well disciplined nor easily coordinated. Therefore, it is unlikely that they will be able to cling together for a long time. There can be a cabinet reshuffle or even the dissolution of the House at any moment."

The editorial concludes by saying: "Suffice it to say that it is almost impossible for any coalition government that comprises more than two parties to work effectively under the parliamentary system, function efficiently, or enjoy the smooth functioning of its cabinet unless the parties in the coalition profess a similar morality and place the interests of the country above everything."

NAEO NA's 450-word editorial, on page 3, entitled: "Ambiguous Appointment," says: "Whether or not the new cabinet lineup has been announced, the appointment of cabinet members will be rather ambiguous in the eyes of the people. The prime minister as well as leaders of all parties in the coalition have encountered numerous difficulties in selecting suitable nominees for ministerial posts. Rivalry over portfolios, particularly within the Chat Thai Party, has been very strong."

"It is obvious that the selection of nominees for ministerial posts in the government of Prime Minister Banhan Sinlapa-acha is based on nepotism. Even the prime minister himself must rely on support from other people. Therefore, other generally accepted qualifications such as educational backgrounds and experiences are not listed in the criteria for the appointment of new cabinet members."

The editorial points out that besides the prime minister, leaders of the New Aspiration and Nam Thai Parties "are also having a big headache" because their choices of qualified nominees are not accepted by the leading figures of their parties. "They will be nervous for some time since unhappy party members might set up their own pressure groups or even stop supporting the parties.

"It is a matter of grave concern that the uncertain appointment of cabinet members this time might shorten the life of the new government."

KRUNGTHEP THURAKIT's 400-word column, on pages 1 and 6, entitled: "The Nightmare That Turns Into Reality," says: "We cannot tell whether the people are happy or unhappy with the new cabinet lineup of the Government of Prime Minister Banhan Sinlapa-acha. As for us, we are very disappointed. The qualifications of the ministers under the quota of the Chat Thai Party are rather 'ugly' in view of the responsibilities they are supposed to shoulder in running the country and do not match the promise made by Banhan during the election campaign that 'we will not disappoint the people' at all."

"We are disappointed with Banhan's decision to concurrently serve as interior minister. He refused to listen to any criticism and suggestions in this connection. He knows very well that the task of the national leader is enormous. How can he effectively serve two positions?"

Noting that more qualified persons should have been put to work for the country, the column says: "We are disappointed with the appointment of several ministers, in particularly those in charge of the Finance Ministry. The new finance minister and his deputies do not have any experience in financial management at all. Some ministers have not yet cleared their bad records. As an adverse consequence, they will be mistrusted by both the Thai and foreign private sectors. It is clear that Banhan has placed more importance on his colleagues and position as leader of the country than the interests of the country and people.

"If Banhan and the coalition parties insist that the new cabinet, Banhan-1 cabinet, is something that 'has not disappointed the people,' it is then a nightmare that has turned into reality." **NNNN**

Business Sector 'Shaken' by Cabinet Lineup

BK2007034795 Bangkok THE NATION in English 20 Jul 95 pp A1, A3

[Report by Surachai Chuphakaa and Thanong Khanthong]

[FBIS Transcribed Text] The composition of the new Cabinet appears to have shaken the business community with the stock market taking a hammering yesterday, forcing the prime minister to move swiftly to try to restore confidence.

During an avalanche of sell orders in the first trading session, the Stock Exchange of Thailand [SET] index plummeted 5 per cent, the biggest drop in recent memory.

Analysts said doubts over the qualifications of the Cabinet had created a crisis of confidence in the local and foreign business and investment communities.

As a result, Finance permanent secretary Aran Thammano was ordered by Prime Minister Banhan Sinlapa-acha to reassure them that his government would steer a steady course.

Shortly after the stock market opened, investors began to take a heavy toll on share prices. Sentiment was further dampened by a 50- point drop in the Dow Jones index on Tuesday and Asia-wide corrections.

At 1100 am, as the market was hemorrhaging, Banhan urgently telephoned Aran to order him to try to quell the panic.

Banhan assured Aran that the government would pursue stable economic growth through fiscal and monetary discipline and that there would not be any significant change to the fundamental policies of the previous government.

At the close of the first-half session, the SET index had tumbled 72.06 points, or about 5 per cent, the sharpest one-day fall in recent memory. It recovered somewhat during the second session, closing 3.05 per cent down for the day.

"Foreign investors are indeed upset with the Cabinet list," Krairit Eachukanonchai, president of Thana One Finance Securities Plc [Public Company], said.

"But the market is overdone. It should not tumble by 70-100 points. Anyway, we have yet to see the performance of the new ministers."

Dr Narongchai Akkharasani, a director of the Securities and Exchange Commission and chairman of General Finance and Securities Plc, said investors had reacted negatively to the new Cabinet.

But a top executive of a brokerage house, who asked not to be named, suggested a series of persistent sell orders placed by some fund-managers had sparked the fierce selling pressure, which forced retail investors to follow suit in what became a hailstorm.

Retail investors have also come under forced selling pressure by their brokers because they are suffocating from squeezed margins.

A source closed to the Chat Thai Party identified SCB Asset Management Co Ltd, which manages mutual fund assets, as the company which ignited the selling pressure. Market authorities sent word to the company to refrain from overdoing the market.

Flanked by three of his deputies, Aran sought to shore up foreign and domestic confidence in the incoming administration, particularly the credibility of the economic ministers led by Dr Surakiat Sathianthai who will take over the Finance portfolio.

Aran said that even though Surakiat is young — he is 37 years old — he will not have any problem administering Thailand's fiscal and monetary policy.

"Age is not the problem. The finance minister must have courage to make the right decisions once he gets all the information," Aran said.

He called on international and local investors to stay calm and allow the new ministers to do their job and prove their efficiency.

"Please take a look at the economic fundamentals of the country and hold your nerve. And don't believe in rumors," he added.

Aran said that under Surakiat's leadership, Thailand will be in a strong position to negotiate for better international trade deals because the finance minister has a proven academic record in international trade law and economics.

Surakiat faces a number of challenges including tackling inflationary pressure, which is threatening to exceed 5 per cent the shortfall in national savings to meet huge investment demand, the current account deficit and measures to bolster confidence in Thailand's stable economic growth.

New Foreign Minister's Credentials Viewed

BK1907034995 Bangkok BANGKOK POST in English 19 Jul 95 p 5

[Report by the Foreign Desk]

[FBIS Transcribed Text] For the first time in two decades, Thailand is to be without a deputy foreign minister after Prime Minister Banhan Sinlapa-acha decided to allow seasoned diplomat M.R. Kasemsamoson Kasemsamosonsi to assume the foreign affairs portfolio alone.

Despite M.R. Kasemsamoson's track record over three decades in the Thai foreign service before retiring as permanent secretary, Bangkok-based diplomats have expressed surprise over the absence of any deputy foreign ministers.

During the Chuan Likphai government, Thailand changed foreign ministers three times, but the work flow and Thailand's international standing were not affected given the steady hand of Deputy Foreign Minister Surin Phitsuwan.

Dr Surin, a Harvard-educated academic turned politician, was widely seen as a link between the Foreign Ministry and Prime Minister's Office.

Even though he lost in the July 2 election, M.R. Kasemsamoson was chosen by the Nam Thai Party to fill the post of foreign minister on behalf of the party. This opened the way for critics to question the meaning of elections if a candidate can be rejected by voters and yet still be appointed a minister.

M.R. Kasemsamoson has crossed the line from the bureaucratic side that shaped his career and outlook to the political side, something he struggled with during his time as a civil servant.

Citing the deep factionalism during his period as permanent secretary under Foreign Minister Sitthi Sawetsila some critics question whether M.R. Kasemsamoson in his new capacity might 're- instigate' factionalism among civil servants and reopen old wounds.

They also note that there is a difference between being a career diplomat and a foreign minister in that the latter must show initiative and be well-versed not only in political but also economic issues.

"I wonder what new dimension he can bring to the Foreign Ministry. Times have changed and he belongs to the Cold War era," said one official.

Thailand is at a crucial juncture in its foreign policy, having still to position itself effectively among its immediate neighbours and the region.

In the months to come, Thailand will play host to two key meetings — the Association of Southeast Asian Nations leaders summit and the first ever Asian-European Summit early next year.

The Foreign Minister is also to lead Thailand's delegation at a meeting of the Asia Pacific Economic Cooperation forum in Osaka where trade liberalisation and facilitation top the agenda.

Nam Thai Party leader Amnuai Wirawan can lend solid support on what is seen as M.R. Kasemsamoson's weakness — the handling of international economic issues.

Most Foreign Ministry bureaucrats have welcomed the appointment of M.R. Kasemsamoson since he knows the place and the system like the back of his hand.

"He can help enhance the international image of Prime Minister Banhan," said one official.

Among the candidates from the seven party coalition government, M.R. Kasemsamoson is the best man this administration could have picked for the post.

Since Mr Banhan is not known for his flair in diplomacy or foreign affairs, there have been talks about the possibility of setting up a foreign affairs advisory team similar to that during Prime Minister Chatchai Chunhawan's administration.

At that time, Gen Chatchai's advisers, dubbed the "Ban Phitsanulok camp", had different views on ways to conduct Thailand's foreign relations, especially the Foreign Ministry's policy on Cambodia.

As a result, Thailand was following what many observers called a "dual-track foreign policy" — one generated from the Foreign Ministry and the other from Ban Phitsanulok, and the two tracks often contradicted one another.

Thammasat University political scientist Chulachip Chinwanno said Mr Banhan should be aware of the limitations of the advisory role and the variety of opinions from different sources whether or not a "Ban Pitsanulok" structure is reinstated.

"What happened in the past between 'Ban Pitsanulok' and the Foreign Ministry should be taken as a lesson," he warned.

The new administration will make its policy statement soon. The challenges for Thailand's foreign relations are clear and his past experience is certainly an asset for M.R. Kasemsamoson, but this "old hand" has a tough job ahead.

Finance Minister on Experience, Future Tasks

BK2007045295 Bangkok THE NATION in English 20 Jul 95 p A2

[Interview with Dr. Surakiat Sathianthai, new finance minister by NATION correspondent Suthichai Yun on 19 July — place not given]

[FBIS Transcribed Text] [Suthichai] There is widespread talk of you having too little experience to perform well as the Finance Minister.

[Surakiat] The criticism is rife because there were no previous rumors about my taking up the post. Most people were surprised when I was given the job.

[Suthichai] Why did Premier Banhan Sinlapa-acha offer you the job?

[Surakiat] He probably wanted a young person with new initiatives to deal with macro and national economic policies. I have worked on economic teams ever since Banhan was leader of the opposition, and took part in the drawing up of Chat Thai's economic platform, as well as other policies presently being worked out. Therefore, Banhan and I have worked closely together for a long time.

[Suthichai] The job had been offered to Bodi Chunnanon, Phanat Simasathian and Wichit Suphinit before you finally got it, were you the last option?

[Surakiat] I don't know about offering the job all around. There was talk about the need for me to help the government without discussing in what role. This was all relayed to me after Banhan became prime minister. I did not know about his talks with any other contenders.

[Suthichai] What assurances can you give now you have taken up the post?

[Surakiat] I have overseen economic affairs ever since being an adviser to former prime minister Chatchai, and I have worked with Finance Ministry officials. I reaffirmed that fiscal and monetary discipline has to be maintained. Inflation needs to be tackled. The Bank of Thailand has done an excellent job on this, as well as on interest regulations and other suitable monetary measures when needed.

The fiscal liberalization has been considered since the previous government. And I have always given it my secret support.

[Suthichai] What are you inheriting from the outgoing government that you feel like changing?

[Surakiat] Finance policies are not something you ambitiously attack, they should be approached cautiously. But there maybe some things that need extra effort on behalf of a new government. Such as distributing fiscal power so local administrations have more autonomy for collecting taxes. Besides, the Finance Ministry must have a role in expanding education, like setting up an education fund, which is already coming into existence. The new government has a duty to assist students who want to learn, and not just those who perform well academically.

As to the plummeting stock market, I would like to reassure investors that this government will maintain strict fiscal discipline to ensure a stronger economic structure, an 8 per cent growth rate for the national economy, to strengthen the stock market and expand the use of bonds as part of an effort to link local investments to the global ones.

[Suthichai] What about criticism concerning image problems and international trade lapses concerning Chat Thai?

[Surakiat] The country's image is the job for the Foreign Ministry. But to solve the problem once and for all, and prepare ourselves for similar problems in the future, I think we should have a national committee to handle these kind of allegations.

[Suthichai] Many people, including those in the media, say they are disappointed with the Cabinet line-up.

[Surakiat] It is good that people are becoming more aware and interested about who is running the country. We can't please everybody all the time. All I'm asking is — give us time.

[Suthichai] What is your own plan to ensure you don't disappoint the public?

[Surakiat] I will do my best and take into account the interests of the majority.

Logging Companies Said Expanding KR Links

Firms Cited

95SE0154A Bangkok ATHIT in Thai 2-8 Jun 95 pp 33-36

[FBIS Translated Excerpt] [Passage omitted] The Cambodian government has continued to grant logging concessions to foreign timber companies in violation of its own prohibition on logging.

Based on our investigation, we can state that the Khmer Rouge [KR] are still making a great deal of money from the timber and gem trade. Basically the money which the Khmer Rouge receives comes from every tree cut in the Cambodian forests including trees covered by legal concessions from the Cambodian government. Generally the Khmer Rouge makes many millions of U.S. dollars per month from this.

Our report also reflects the effects of the logging on the environment and the living standards of the Cambodian people. Mr Mok Mareth, the Environmental Minister of Cambodia, has estimated that if the Cambodian forests continue to be destroyed at this rate in the future, in five years nothing will remain of them. [passage omitted]

The Deep Water Port at Maptaphut in Rayong Province

When Global Witness visited the Maptaphut port in January, we saw and took pictures of logs belonging to the Chao Phraya Irrawaddy Company Ltd. which were being unloaded from barges and kept in a temporary open storage area. This timber was from Koh Kong Province in Cambodia. [passage omitted]

It could be that "TKS 20 Barge" left Cambodia on 1 May, but the other three barges were clearly seen to leave Cambodia after that in violation of the Cambodian government prohibition on exporting timber and with the secret cooperation of Thai officials

The facts which we discovered contradict the statement of Mr Thirasak Chaturaphonprasit, the chairman of the board of the Chao Phraya Irrawaddy Company made in the Bangkok Post on 1 April 1995 that the Thai timber companies had had their permits to export timber from Cambodia revoked and contradict the statement made by Minister Surin at the beginning. [passage omitted]

From interviews with the owners of two to three sawmills out of the 33 sawmills in Khlong Yai, we learned about the present situation in logging.

Winai Duangyai and Kannika Chutikhachon, the owners of the Bo Thong Wut Company Ltd., said that after the Cambodian government prohibition on exporting timber, Bo Thong Wut did not have any wood coming into the saw mill especially during last May. They both said that Bo Thong Wut and the other timber companies would probably have to call on the Thai government to help by pressuring the Cambodian government to give permission to export timber again. They said that in general when transporting logs they had to pay a toll of about 70,000 baht to the Cambodian coast guard to allow one log carrying barge past their check point even though they had paid the legal customs to the Cambodian government. [passage omitted]

Skirting the Border From Ban Hat Lek Village in Trat Province to Aranyaprathet in Sa Kaeo Province

In January Global Witness discovered many open log storage areas stretching along highway 3 from Khlong Yai to the checkpoint at Ban Noen Sung Village, which is in the area south of Trat Province. In addition they also found the log yards of the timber companies along highway 3271 from Ban Noen Sung Village to Bo Rai District, which is close to the Cambodian border.

The owners of these timber companies had obtained logging concessions legally from the Cambodian government, and they still brought in wood from Cambodia by road even though the Thai government said that every checkpoint on the border was closed to stop any assistance from going to the Khmer Rouge. The workers and officials at the log yards of all the companies with whom Global Witness spoke all said that there was still logging going on in the forests of Cambodia even though the Cambodian government had strictly prohibited logging on 1 January. Many companies admitted doing business with the Khmer Rouge. The income from the timber coming to the Kanlapangha port and the income from just two sources of the Suan Pa Company earned the Khmer Rouge U.S.$ 1 million per week.

In May 1995 Global Witness discovered that the quantity of logs coming across the border from Cambodia to Thailand was clearly reduced. From interviews with workers it found out the reason for the reduction was that the logging trucks were not able to cross the border because the roads were bad as a result of the rainy season.

Many Thai timber companies admitted that they did business directly with the Khmer Rouge buying timber and cutting timber without going through the government. Therefore their business was not affected in any way by the Cambodian government prohibition on cutting timber and exporting logs.

Noen Sung - Bo Rai, Trat Province

The foreman at the Suan Pa Company said that there were about 100,000 cubic meters of logs in the log yards close to Noen Sung which had been brought from areas for which the Cambodian governemnt had given logging concessions. But he admitted that some logs were being purchased in areas controlled by the Khmer Rouge.

A logging truck driver from the Suan Pa Company who was interviewed by Global Witness while he was transporting logs to a sawmill in Ayutthaya said that the logs on his truck were from the Khmer Rouge. He told Global Witness that Suan Pa had signed a

5 year contract with the Khmer Rouge for a logging concession and had only logged for 2 years there. The only limitation was on bringing the logs into Thailand - they were [illegible] a quota by the Thai Ministry of Interior allowing them to bring in only 100,000 cubic meters of logs per year.

The Chao Phraya Akhane Company which had a log yard (or temporary storage area) on highway 3271 had just brought in 20 logs from their concession area in Cambodia to their storage area on 21 May. This company had just signed a 2 year logging contract with the Khmer Rouge, and Rasarin Rakchat, the company director, had good relations with high-level Khmer Rouge officials in their concession area. On 21 May Rasarin and her "boyfriend," a soldier stationed in the area of Trat Province, crossed over to the Khmer Rouge side to inspect the company's logging concession area with regard to cutting logs and transporting them out in the future.

On 28 March 1995 the Minister of Interior, Maj. Gen. Sanan Khachonprasat, issued a temporary permit to the Chao Phraya Akhane Company to bring 30,000 cubic meters of logs into Thailand. This was further evidence that the logging business and the transporting of logs could continue even though the Thai government had announced the closing of the border and the Cambodian government had prohibited the export of timber.

The Thung Din Dam Company was not able to bring logs into Thailand because the roads were bad as it was the rainy season, but a company worker with whom we talked insisted that the company did business in logs with the Khmer Rouge.

Pong Nam Ron, Chanthaburi Province

The Makha Center Company located in Pong Nam Ron District on highway 317 just signed a 2 year contract with the Khmer Rouge for a logging concession. The company had to pay the Khmer Rouge 50 million baht in order to cut timber. Then it had to pay another 50 million baht to transport the logs out of the company's concession area, which totalled tens of thousands or rai [a rai equals about 0.4 acres]. And even though the Cambodian government checkpoint which was on the route for transporting the logs was closed, nevertheless the logging trucks could pass the checkpoint by paying only 200 baht per truck. At present the company could cut timber in the area of its concession but could not transport it out because the Khmer Rouge had closed the checkpoint as a result of the fighting in the border area next to Pailin Province near the logging concession.

The company had no difficulty transporting logs past the checkpoint on the Thai border.

The company's log yards covered about 50 rai and contained about 3,000 makha logs in piles. The company also had a log storage area in Cambodia which covered another 100 rai and contained another 600 makha logs which were not brought out before the Khmer Rouge closed the border.

About 25 rai on the shore opposite the Makha Center log yard was being smoothed to make a log yard for other lumber companies which would be transporting logs from Cambodia to Thailand in the future.

The workers of the lumber companies in this area said that other lumber companies including Display Tech were still logging in Cambodia even though the Cambodian government had prohibited logging and the export of logs.

The logging truck drivers both in Trat Province and Chanthaburi Province had to carry permits issued by the timber companies to pass the Khmer Rouge logging checkpoints. Each logging truck had to pay 100 to 200 baht at each checkpoint including both the Thai and Khmer Rouge checkpoints, a total of four, before they reached the company log yards. In addition when transporting the logs from the log yards to the sawmills in other provinces they had to pay an additional 40 to 50 baht apiece at the checkpoints along the highways. [passage omitted]

Logging Storage Sites Noted

95SE0154B Bangkok SIAM RAT SAPDA WICHAN in Thai 4-10 Jun 95 pp 4-6

[FBIS Translated Excerpt] [Passage omitted] **Thailand and the Khmer Rouge, a Secret Friendship in the Forest?**

In addition to the data on Cambodian logs still being brought into Thailand by truck and boat gained from interviews with the owners, foremen and workers of the timber companies, Global Witness also found that many businesses admitted to doing business with the Khmer Rouge, which meant that the announcement of the government prohibiting the importation of timber would have little effect on the businesses.

On highway 3 from Khlong Yai to the checkpoint at Ban Noen Sung Village in Trat Province, they discovered the log yards or temporary storage areas of the Thai timber companies spread out along that entire stretch as well as along highway 3271 from Ban Noen Sung Village to Bo Rai District. This was close to the Cambodian border.

At the log yard of the Suan Pa Company in Trat Province, the foreman said that the 100,000 cubic meters of logs in the company's log yard had been brought from a logging concession area of the Cambodian government. But he admitted that some logs had been purchased from forest areas controlled by the Khmer Rouge also.

Global Witness also had the opportunity to interview a logging truck driver of the Suan Pa Company parked along the road to rest while transporting logs to the sawmill in Ayutthaya. He said that the logs on his truck were from the Khmer Rouge. He revealed that Suan Pa had signed a 5 year contract with the Khmer Rouge for a logging concession, and the company had only logged for 2 years because they had been limited by the quota restricting them to importing only 100,000 cubic meters of timber per year into Thailand.

As for the Chao Phraya Akhane Company, which had a log yard on highway 3271, it had just brought in 20 logs to the log yard by truck. A company worker said that the company had signed a 2 year logging contract with the Khmer Rouge and that the company had good relations with high-level Khmer Rouge officials.

Global Witness also discovered important papers stating that on 28 March 1995 Maj. Gen. Sanan Khachonprasat, the Minister of Interior, had issued a temporary permit to the Chao Phraya Akhane Company to import 30,000 cubic meters of logs into Thailand. This was further evidence that the timber business and the transporting of logs could continue even though the Thai government had closed the border and the Cambodian government had prohibited the export of wood.

A worker of the Thung Din Dam Company said that the company's logs came from the Khmer Rouge while a worker from the Makha Center Company, which was located in Pong Nam Ron District of Chanthaburi Province on highway 317, revealed that the company had just signed a 2 year contract with the Khmer Rouge for a logging concession.

He explained that the company had to pay the Khmer Rouge 50 million baht to be permitted to cut timber and then had to pay another 50 million baht to be permitted to transport the logs out of the company's concession area, which covered tens of thousands of rai [a rai equals about 0.4 acres]. And even though the Cambodian government checkpoint on the transportation route was closed, nevertheless the logging trucks were able to pass the checkpoint by paying only 200 baht per truck.

At present the company was still able to cut timber in the concession area, but it was not able to transport the logs into Thailand because the Khmer Rouge had closed their checkpoint as a result of the fighting in the area of the border next to Pailin Province, which was near the concession area.

The temporary open storage area of the Makha Center Company, which covered about 50 rai, contained about 3,000 makha logs. A worker said that in Cambodia there was another 100 rai storage area with another 600 makha logs which could not be transported out before the Khmer Rouge closed the checkpoint.

"The Thai businessmen with whom we spoke generally hope that the checkpoints will open again for the transportation of timber by the end of the year," Mr Patrick [Alley of Global Witness] said. "They hope that the Thai government will bargain with the Cambodian government again. As for those doing business with the Khmer Rouge, the announcements and policies of the Cambodian government will have no effect on their business."

Global Witness summarized the opinions of the Thai businessmen whom they interviewed as follows: the prohibition on importing timber across the Thai border was intended to direct the timber industry toward Malaysian companies and reflected changes in political policy but not any desire to preserve the environment.

"The more the Cambodian government closes routes to Thai timber merchants, the more this forces the Thai to do business with the Khmer Rouge, and Global Witness believes that the Thai government must be an accomplice to the timber trade on the Thai-Cambodian border also," Mr Patrick stated in the report. [passage omitted]

Despite the information revealed by "Global Witness" to the media, the response from the Thai government and Thai businessmen was denial (they seemed defensive), but Mr Patrick stood by the facts which he and his co-workers had gathered in the area as well as the evidence in the form of pictures and videos they had taken.

"I maintain that everything we have said is backed by evidence proving it is true," Mr Patrick said.

The Thai government knows full well that the "facts" and the "image and credibility" of the country in the eyes of the world do not coincide.

Vietnam

Essay Recalls Downing of Many U.S. Aircraft

BK2007085895 Hanoi QUAN DOI NHAN DAN in Vietnamese 4 Jul 95 p 2

[Essay by Lieutenant Colonel Dang Dinh Lieu: "Thirty-Five Years of Holding Fast on the Front To Safeguard the Fatherland's Airspace"]

[FBIS Translated Excerpt] Thirty-five years ago, at 2400 on 10 July 1960, all eight companies of the H90 Radar Regiment began transmitting signals to monitor the fatherland's airspace. Since then, 10 July has been the regiment's glorious anniversary.

Over the past 35 years of combat support, combat, unit building, and growth, cadres and combatants of all generations in the regiment have held fast on the fiercest and most difficult battle fronts, providing effective service and, together with our Army and people nationwide, contributing to the achievement of glorious feats of arms.

On 5 August 1964, thanks to its vigilance, the regiment detected enemy aircraft and promptly informed air defense forces in Thanh Hoa, Quang Binh, and Vinh Linh of their movement. As a result, our air defense forces shot or set fire to four U.S. aircraft, including one brought down by the regiment's Company No. 15, thus setting the regiment's tradition of winning victories from the very first battle. Together with the northern army and people, the regiment helped cause eight U.S. aircraft to end up in flames.

After that, the regiment made every effort to overcome difficulties. By moving equipment to high mountains and expanding its radar coverage area, the regiment provided air defense units with timely information on the movement of tens of thousands of enemy aircraft. As a result, thousands of U.S. aggressor aircraft of all kinds were blown to pieces, including the first B-52 brought down in Dong Hoi's airspace.

In more than 10 years of fighting the destructive U.S. air war, along with fulfilling its internationalist duty, the regiment held fast on many fierce battle fronts and provided direct support to the Route 9-Southern Laos Campaign, the Quang Tri battle front, the 120-Day Campaign in 1972, and the historic Ho Chi Minh Campaign. The regiment fulfilled its duties under all circumstances in an outstanding manner. [passage omitted on the regiment's postwar achievements]

Normalization of Ties With U.S. Hailed

BK1907125595 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 18 Jul 95

["Topical Talk" by station editor Vu Dinh Vinh]

[FBIS Translated Text] Dear friends: a significant event in Vietnam-U.S. relations took place last week. At the White House on 11 July, U.S. President Bill Clinton made an announcement normalizing U.S. diplomatic relations with Vietnam. This is an important decision that meets the U.S. people's aspiration, conforms to the international development trend, and positively contributes to the cause of peace, stability, and development in Southeast Asia and the rest of the world.

The aspirations of the parties concerned have thereby been met and world public opinion has welcomed this event. The Cuban News Agency said on 11 July that there would be many comments on the U.S. decision regarding this issue; however, it was an undeniable fact that this was the Vietnamese people's diplomatic victory. The normalization of relations with the United States indicates that a strategic objective in the Vietnamese foreign affairs activities has been achieved. Indeed, this event coupled with Vietnam joining ASEAN at the end of July, Vietnam's efforts to strengthen cooperation with the European Union, and its endeavor to expand cooperation and friendly relations with other nations have enhanced Vietnam's role and prestige in the international arena and have created a favorable international environment for Vietnam to build and defend its country.

After normalizing relations with the United States, Vietnam now has diplomatic relations with 155 countries in the world. For the first time since World War II, Vietnam enjoys full diplomatic relations with all the major powers and the five permanent members of the UN Security Council. This testifies to Vietnam's significant position and role in the international arena, through which Vietnam will be able to increasingly participate in activities in the region and the world in the interest of peace, stability, and development. This is the inevitable process in conformity with trends of the current era, in which all nations must promote unity and cooperation for mutual development. This significant event and the others indicate that under the leadership of our party, the protracted and arduous struggle of our people has been successful as seen through the gaining of national independence, freedom, and reunification. This great victory has been firmly maintained and developed in the current renovation undertaking, which is recording very significant achievements, thereby enhancing the recognition and respect for our national independence and prestige from all nations and winning sympathy and support from people and friends the world over.

The normalization of Vietnam-U.S. relations has testified to the correct foreign policy of our party and state of diversifying international relations and befriending all countries in the world for the interest of peace, independence, and development.

The image of Vietnam as a country that has great potential in various domains and one that has adopted an open-door policy in efforts to participate in various economic activities in the region and the rest of the world, has attracted the intention from friends around the world, who want to cooperate with Vietnam for mutual interests. This is also one of the factors accelerating the progress in Vietnam-U.S. relations.

In his statement, Prime Minister Vo Van Kiet said: The Vietnamese Government and people have always held that the United States and Vietnam should look to the future to establish normal relations between the two countries. In reality, we have done so many things to testify to our goodwill in this regard. Everyone knows why Vietnam-U.S. relations were depressed for many decades. Reviewing the main events in the past, we can see the effect of this relationship. On 8 March 1965, the first units of U.S. troops arrived in South Vietnam. On 27 January 1973 the United States and Vietnam signed the Paris Peace Accord, ending the U.S. combat role in the Vietnam War. On 29 March 1973 the last U.S. troops left Vietnam. On 1 April 1973 Vietnam released the last group of 591 U.S. prisoners. On 30 April 1975 the Saigon regime was overthrown and afterward Vietnam reunified and the United States announced a trade embargo against Vietnam.

Not until 20 years after the war did Vietnam-U.S. relations return to normal. One issue that the hostile forces frequently used to block development in Vietnam-U.S. relations is the MIA problem. Concerning this issue, President Bill Clinton, in his 11 July statement, asserted Vietnam's goodwill when he said that in 17 months Hanoi took significant steps to help resolve many MIA cases. A total of 29 families received the remains of their loved ones for funeral services. Vietnam has handed over to the United States hundreds of pages of documents containing information related to Americans missing in the Vietnam war. Hanoi has also accelerated cooperation with Laos, where many MIA cases were reported.

Regarding the MIA's, it can be said that the Vietnamese people, who underwent a protracted war, have suffered the most, including the issue of Vietnamese missing in action. Many Vietnamese families have still received no information on their loved ones nor have their remains been found. As a result, the Vietnamese people understand more profoundly the suffer endured by various U.S. MIA families. The Vietnamese people have done and are doing their best to resolve this issue. This is because, as we have asserted on many occasions, the task stemmed not only from political grounds but also from the Vietnamese nation and people's humanitarian tradition.

Regarding the contributions to speeding up the normalization process of Vietnam-U.S. relations, we must also acknowledge individuals and organizations in the United States and in other countries in the world who have, with their practical and useful activities in the past, used their voices and deeds to launch a campaign to demand the normalization of relations with Vietnam. Prior to the normalization decision, an opinion poll carried out by the USA TODAY newspaper and Gallup Institute revealed that most American people were ready to support the restoration of relations between the two countries. Sixty one percent of respondents approved the normalization of relations with Vietnam.

As a matter of fact, the prolonged and time-consuming normalization process was against the will of the people of Vietnam. Right after the end of the war, Vietnam had announced its readiness to close the past, look forward to the future, and normalize relations with the United States. However, the long awaited event has eventually come. On 27 January 1994, the U.S. Senate passed a resolution calling on President Clinton to scrap the trade sanctions against Vietnam. On 4 February 1994, the sanctions were officially lifted, paving the way for the U.S. contracts signed with Vietnam to become valid. On 26 May 1994, the two sides agreed to exchange liaison offices, a preliminary step to diplomatic relations. On 28 January this year, Vietnam and the U.S. signed two agreements marking the first establishment of relations between the two governments after 41 years. On 13 June, U.S. Secretary of State Warren Christopher officially advised President Clinton to establish full diplomatic relations with Vietnam, and on 11 July, U.S. President Clinton announced the normalization of relations with Vietnam.

Sooner or later, what would come has come. The decision reflects the aspirations of the U.S. Government and people to close the past, look forward to the future, and establish normal, friendly, and cooperative relations with Vietnam. U.S.-Vietnam relations are obviously turning to a new page and are compliant with historical logic and the reality of international relations, which show that cooperative relations between countries can only develop well on the basis of respect to self-determination and the right of peoples to select their own development path. We can also affirm that from now on, Vietnam-U.S. relations will be built up on the foundation of current international principles, which have been solemnly recorded in the convention of the United Nations.

As correctly pointed out in the announcement by Vietnamese Prime Minister Vo Van Kiet, the Vietnamese Government is ready to work with the U.S. Government for a new framework of relations between the two countries based on the principles of equality, respect for independence, sovereignty, noninterference in each other's internal affairs, mutual benefit, and in compliance with the generally accepted principles of international laws. Only on the foundation of these principles can Vietnam-U.S. relations develop well to meet the aspirations of the two peoples, who wish to expand relations in areas of common concern — primarily in the economic, trade, science, and technology fields. Deviation from the above principles means going against the rightful benefits of the peoples of Vietnam and United States and the developing trend in current international relations.

Dear comrades and friends, the correct and consistent external relations policy of our party and state aims to enhance friendly and cooperative relations with all countries for the cause of peace, national independence, progress, and development. The reality of our revolution proves that whenever we come to new opportunities, we face new challenges. While expanding our friendly and cooperative relations with other countries in the world, we should never lower our independent and self-determined flag, so mobilizing our people and our troops to achieve more successes in the renovation undertaking and in the protection of our Vietnam socialist fatherland. With Vietnam-U.S. relations normalized, it should not be forgotten that there will be certain people and forces who will use the development in relations to further their aim to change Vietnam's political system. We affirm that the right to choose a political system is the basic right of the people themselves and nobody can interfere. In all circumstances, Vietnam is determined to protect its independence; nobody can interfere. In the past, the people of Vietnam have fought tirelessly for their independence, freedom, and relations between countries based on equality and mutual respect. The people of Vietnam have resolutely protected that sacred right and at the same time are ready to cooperate with all other countries and peoples to solve the issues of relations between countries as well as global issues.

We welcome the 11 July decision on the normalization of relations with Vietnam. The prolonged and strenuous struggle of the people of Vietnam has achieved its noble objective. In front of us, however, there are still difficulties and obstacles. Firmly believing in our advancing path, our party, our people, and our army should unite in overcoming all difficulties and obstacles to successfully build and firmly protect our Vietnam socialist fatherland, the noble objective that generations of Vietnamese people have struggled and sacrificed themselves to accomplish.

Trade With U.S. Expected To Increase

BK2007090695 Hanoi Voice of Vietnam in English 1000 GMT 18 Jul 95

[FBIS Transcribed Text] Economic cooperation between Vietnam and the United States is expected to increase this year with the normalization of relations. In the first three months, two-way trade between Vietnam and the United States was $224 million. Vietnam's export to the United States was valued at over $58 million, 112-percent increase over last year. U.S. export to Vietnam increases sharply from $3.8 million in 1993 to over $172 million last year.

Author Accused of Distorting War With U.S.

952E0082A Hanoi QUAN DOI NHAN DAN THU BAY in Vietnamese 27 May 95 p 6

[Article by Diep Minh Tuyen]

[FBIS Translated Text] It's not surprising that Phan Huy Duong, a writer for such anti-communist magazines as HOP LUU and DIEN DAN and a man who has translated almost all the evil novels and short stories in our country, recently translated Bao Ninh's short story "Gio Dai" [Wild Wind] into French for publication in a collection of 15 Vietnamese short stories published in Paris. Just as in his work *Noi Buon Chien Tranh* [Sorrow of War], which altered the way of looking at the war, transformed the war of aggression waged by the American imperialists against our people into a civil war, distorted the nature of our army in a novel several hundred pages long, and misled a number of readers, in this short story, Bao Ninh has again spread these same erroneous views of his in an even shorter story. Readers can easily see that he has the same intention in both of these works.

Actually, the short story "Gio Dai" is a poorly written story that imitates Western literature. The plot is fragmented, the characters are drawn crudely and lack personality, and many "irrelevant romantic" sections show what his real intentions are.

The author set his story in Diem Village, a village in the Central Highlands near Highway 14. According to the author, before 1972 "This was a bustling village with many streets and houses, and the people living there were quite prosperous. Located 10 km from the city, the village was guarded by American troops. The men in the village served as soldiers, and the women carried on trading activities. Everyone in the village was very religious."

I read this passage several times to see if I was mistaken or if there had been a mistake in printing this passage, because I could never have imagined that Bao Ninh, a Vietnamese, could have written that. Here was a remote Vietnamese village halfway around the world from the United States. Who asked the Americans to come here to defend it? How strange! When foreign troops occupy another country and butcher the people there, that is called an "invasion." But instead of using the word "invade," the writer used the word "defend." Throughout the world everyone knows that the Americans invaded Vietnam. Even the American people and American politicians said that the United States invaded Vietnam and strongly opposed this war. In his memoirs, Nixon had to admit that the United States had lost the war in Vietnam, beginning in the U.S. Congress and in the United States itself. The publication of the secret Pentagon Papers revealed the truth about the "Tonkin Gulf incident" and the Maddox. These documents revealed that the American [administration] had used false pretenses to trick the U.S. Congress and justify American bombing of northern Vietnam. Doesn't this prove that America was the invader? In his memoirs, McNamara admitted that intervention in Vietnam was a "terrible mistake." Doesn't Bao Ninh know this, or is he intentionally forgetting this in order to absolve the invaders of guilt? Bao Ninh doesn't know that the "Vietnam syndrome" still torments Americans of conscience. But Bao Ninh has somehow managed to forget that the bullets that wounded his fellow Vietnamese were all "made in the U.S.A." Perhaps those American bullets protected Bao Ninh.

It's clear that the United States was the aggressor, but Bao Ninh turned this war into a civil war when he wrote the words of a song: "In a fratricidal war, we are just insects."

How can the American war of aggression be called a "fratricidal war"? Beginning in the 1970, the United States continued waging a war of aggression using the slogan "Vietnamization" of the war, which really meant changing the "color of the bodies." That is, this was still an American war of aggression that used American money and bombs and that was controlled by the Americans, but the people actually doing the fighting were Vietnamese. That was a very painful stage in our nation's history. Actually, Bao Ninh should have directed his anger at the enemy responsible for this situation. But in this short story, Bao Ninh directs his anger at the nation's heroes: the Vietnam People's Army.

As for Diem Village, since it was liberated by our troops, "the wealth that existed during the American-puppet period has rotted away amidst the great desolation in the cogan grass...." "The population of the village is declining, and there are many crazy people. There are few men left, but most of those who remain are disabled puppet soldiers who lack any hope. They are crippled, blind, and completely crushed. The wives of soldiers have lost their husbands, and widows wear rags and carry emaciated children with no clothes...." "There has been forced change.... Everyone must endure the difficult life with little food and clothing and toil in the fields. Everyone must fit themselves within the disciplinary framework of the new regime. Obstinate people and other troublemakers have been suppressed. Many people have been shot or arrested." Are the above statements intentional distortions and false accusations in an effort to take revenge against the revolution and the revolutionary army? How can the brave combat actions of our troops be called "cruel": 130-mm artillery shells poured down and T54 tanks suddenly appeared on Highway 14, cruelly cutting off the retreat route.

The military-civilian situation in the country has been distorted even though every soldier who lived on the battlefield in the recent war can clearly see that the writer has intentionally slandered them: "At that time, orders prohibited soldiers from associating with the people in the newly liberated areas who lacked awareness and who were still 'half puppets.' This was very strange, but 'orders were orders.' If a person ignored them and was caught doing so, he could be subjected to great criticism and then subjected to party and group discipline to the misfortune of his family." Why are orders so strange? The writer and many other people who lived with the troops stationed in newly-liberated villages in eastern Nam Bo during that period never witnessed such a situation. Rather, the troops lived among the people and used the trust of the people as their strong fortification. The revolutionary authorities supplied food and medicine to the people in the newly liberated areas. Conversely, the Americans and their puppets advocated destroying the liberated areas. They, and no one else, are the ones responsible for the terrible situation in Diem Village. As for the issue of discipline, the result was strictness and justice, but strictness and justice in the case of indecent acts (such as the sexual activities of the characters in the story and of the prostitute and singer Dieu Nuong). No one who had correct relations with the people was punished.

The author portrayed the officers and soldiers in his story in a very distorted way. With the following officers and soldiers as portrayed by the author in this story, how could we have won our great victory on 30 April 1975:

A company political officer, the soul of the company, who was both a hardened and simple man.

A company commander, who liked music and showed right-wing tendencies and who was an unprincipled demagogue.

The character Cu, who was both stupid and cruel like his "old and lonely dog Nich." At times, the author viciously had a little boy call the dog "Brother Cu, Brother Cu."

In particular, the writer has created an "anti-war" character, the soldier Tuan, who whines in a false voice. "Sick and weak, the neck and face marked with scars..." "taciturn..." "and never aroused to anger. Completely cold and indifferent," "indifferent to everything." "Prefers not to ask for or hope for anything," "unfeeling and not eager to disclose anything," and "has never written or received a letter." "In meetings, sits quietly." But he did have the ability to play music, in a way that no one else could: "His playing was melancholy, and no one else wanted to listen. But he did not play for others or even for himself." The author did not know whether to call him "an aristocrat or a person who was tired of life." A soldier who lacks spirit like that will either rally to the other side or desert. And that was what happened: he and the singer Dieu Nuong deserted their unit and Diem Village. Finally, Cu, the character "I," and a number of other soldiers pursued and shot these two people. The author moved toward the killing of Tuan and Dieu Nuong so that he could say: "We killed those who had told us about peace; nevertheless, peace still arrived." With this, Bao Ninh has clearly transformed us, the victims of a war of aggression, into killers and warmongers. The aggressors have been transformed into people who "defend" and "maintain" peace, as the above passage shows. Thus, it's not surprising that Philip Franchini used this sentence written by Bao Ninh at the conclusion of his introduction to the collection of 15 Vietnamese short stories published in Paris. That introduction appeared in the 1 September 1994 edition of L EXPRESS INTERNATIONAL. With the short story Gio Dai, Bao Ninh has clearly become the public defender of the criminals, that is, the American aggressors. The only word that can be used to describe this is "unscrupulous." Gio Dai has "stabbed soldiers in the back." With this story, instead of renovating literature, Bao Ninh has "had a change of heart" and waited patiently for the "wind" from the West. Bao Ninh is no longer simply writing literature.

Officials Meet Donor-Country Representatives

BK1907102195 Hanoi VNA in English
0631 GMT 19 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 19. — The State Planning Committee met here yesterday with representatives of foreign donors to prepare for the consultative group meeting which will be held in Paris on Nov. 30 and Dec. 1.

Representative of 23 embassies of donor countries and donor organisations including the WB, UNDP [United Nations Development Program], UNICEF, FAO [UN Food and Agriculture Organization], and EU attended the function.

Prof. Do Quoc Sam, chairman of the State Planning Committee, informed the guests of development cooperation activities since the last meeting of the consultative group meeting in Paris in November 1994. He said that in the first six months of this year Vietnam has made considerable progress in food production industrial production has increased by 13 per cent over the same period last year and many construction and communication projects have been put into operation. Total export earnings were estimated at USD 2.2 billion and that imports were at USD 2.3 billion, up by 35.4 per cent and 14.5 per cent over the same period last year.

Mr. Sam said the value of aid projects and programs signed in this period totalled more than USD 700 million including many agreements for infrastructure construction and socio-economic development projects signed with the WB, the Republic of Korea, Sweden, Holland, Norway, and Belgium. Though considerable progress has been made in management and control of this aid, many problems need to be solved to speed up and improve the implementation of aid projects, he said.

In addition Vietnam has signed the UNICEF cooperation programme for the 1996-2000 period and is preparing new cooperation programmes with the UNFPA [United Nations Fund for Population Activities] and UNDP, he added.

The state planing committee would closely coordinate with the WB and UNDP to prepare for the success of the coming consultative group meeting, Mr Sam pledged.

National Day Amnesty for 2,900 Proposed

BK1907102095 Hanoi VNA in English
0654 GMT 19 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 19 — About 2,900 prisoners serving different jail terms were proposed to the state president to be granted amnesty on the occasion of the 50th anniversary of the National Day (Sep.2).

This is the second occasion of this year that the state president's has decided to grant a special amnesty to prisoners who shows repentance and desire to redeem their faults.

The first occasion was on the 20th anniversary of the liberation of South Vietnam when 957 prisioners out of a proposed 1,100 cases were granted an amnesty.

'Sources' on Amnesty for Political Prisoners

BK2007081095 Hong Kong AFP in English 0757 GMT 20 Jul 95

[FBIS Transcribed Text] Hanoi, July 20 (AFP) — Political prisoners are among 2,900 detainees listed for possible release in an amnesty marking the 50th anniversary of Vietnam's independence next month, government sources said Thursday.

A list of some 2,900 prisoners being considered for the amnesty on Vietnam's national day, September 2, contains prisoners detained as "a risk to national security," a government official told AFP, asking not to be identified.

Most of the prisoners listed for possible release on Vietnam's national day are common criminals who are "going through re- education" and "are no longer dangerous," the source said.

Vietnam's central consultative council for amnesties has submitted the prisoners' records to President Le Duc Anh for a decision expected mid-August, the official said.

Hanoi denies holding any prisoners of conscience. However, several members of the dissident Vietnam Unified Buddhist church, including patriarch Thich Huyen Quang and a colleague, are in prison, along with several communist party veterans who opposed the official line.

The Vietnamese Government has not acknowledged the arrests, which observers said were made to silence all opposition especially any from within its own ranks, ahead of the Party's Eighth Congress, set for 1996.

The London-based human rights organization Amnesty International said Vietnam has some 60 prisoners of conscience.

Hanoi released 957 prisoners on the 20th anniversary of the fall of the South Vietnamese government in April, with no mention of political prisoners.

Under Vietnamese law, detainees can only be considered for amnesty once they have served at least one-third of their sentence. An amnesty is usually granted at major national holidays.

Two revolutionary veterans, Hoang Minh Chinh and Do Trung Hieu, have been detained since June for distributing materials critical of the communist party.

Chinh, a former high-ranking Party official, called for victims of the "anti-revisionist" purges of the 1960s to be rehabilitated and criticized Vietnamese Communist Party's absolute control of the state.

A third dissident, Nguyen Ho, was placed under heavy surveillance and reportedly threatened with arrest in Ho Chi Minh City at the end of June, after distributing two essays accusing the communist party of lack of sincerity in its "economic renewal" policy.

Ho and Hieu were founders of the now-disbanded "Former Resisters Club," an independent association of veterans founded in 1986 at Ho Chi Minh City, which pushed for political freedoms in Vietnam.

A former high-ranking cadre in charge of the Party's internal security, Nguyen Trung Thanh, was recently thrown out of the Party for having asked Vietnamese Communist Party Secretary General Do Muoi to agree to the political rehabilitation of victims of the 1960s purges, informed sources said.

Radio Commentary Hails Trade Accord With EU

BK2007095295 Hanoi Voice of Vietnam in English 1000 GMT 18 Jul 95

[Station commentary]

[FBIS Transcribed Text] Vietnam signed the trade cooperation accord with the European Union on Monday [17 July]. The accord was signed in the EU Headquarters in Brussels by Vietnamese Foreign Minister Nguyen Manh Cam and foreign ministers of 15 EU member states. Here is our radio editor's opinion:

It has been the result of one-and-a-half years of talks between Vietnam and the EU, and the result of cooperation between Vietnam and the EU over the last few years. Although Vietnam has long cooperative and friendly relations with the EU member states, Vietnam only establishes diplomatic relations with the EU itself four years ago. However, positive development has been seen in these relations. Many cooperation pacts have been implemented. Worthy of note was that the agreement on textile goods signed at the end of 1992 raised Vietnam's export turnover of textile goods from $84 million to $140 million. The EU has granted Vietnam $19 million for projects on banking, forestry, and drug abuse prevention.

Over the last three years the EU has, through non-governmental organizations, assisted Vietnam in many health and education projects valued at $8.5 million. The EU 30-month repatriation program helps generate conditions to integrate Vietnamese repatriates into the community.

Vietnamese Prime Minister Vo Van Kiet's visit to EU countries in the summer of 1993 and again in May last year and June this year, and visits by leaders of the EU and its member countries to Vietnam, have created favorable conditions to develop relations between Vietnam and the member countries. These activities have directly contributed to the signing of the trade cooperation accord in Brussels between Vietnam and the EU.

It is why this EU agreement will promote trade relations. It will not only create a legal basis for economic and trade relations, but also create favorable conditions for countries and organizations having relations with Vietnam and the EU. It is the new opportunity for Vietnamese and EU businesspeople to cooperate. In addition of the normalization of Vietnam-United States relations and the coming participation of Vietnam in ASEAN, the Vietnam-EU economic and trade accord shows that Vietnam's open door diplomatic policy has obtained important and significant results. This new agreement will open up a new and prosperous period in relations between Vietnam and the EU.

Foreign Firms Allowed To Buy Foreign Currency

BK2007090895 Hanoi VNA in English 0725 GMT 20 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 20 — The government has issued a circular on July 13 that now allows foreign invested enterprises, foreign partners involved in cooperation agreements related to import substitution, and companies involved in the construction of infrastructure, to purchase foreign currency at Vietnamese banks.

Relevant state agencies will make public a list of import substitutes and infrastructure projects covered by the government decision.

With regard to enterprises not covered by the decision, the bank will decide on a case-by-case basis. The demand for foreign currencies to pay debts to foreign creditors, or the demand to remit profits of foreign investors are not covered by this decision.

Minister Interviewed on Labor Policy

BK1907143895 Hanoi VIETNAM INVESTMENT REVIEW in English 3-9 Jul 95 p 9

[Interview with Labor Minister Tran Dinh Hoan by Hai Bac; place, date not given]

[FBIS Transcribed Text] **What labor policy is proper for guiding Vietnam's course of socioeconomic renovation?**

This is a difficult but interesting question. Labour policy is one of the major concerns of the Communist Party and the Government as it directly affects the people.

The socio-economic renovation being carried out is complicated and broad and the people have many different needs and desires. This is why formation of policy, especially labour policy, should be carefully considered.

Practical experience shows us a proper labour policy should be based on the Party and the Government's position on labour issues.

However labour policies can not come directly to life; they need bridges to connect Party policies with daily life.

To make those connections, in my opinion, we should draw from the country's experiences and also seek the participation of experts from many fields.

Further, special attention should be paid to the socialisation of labour.

I cite the Labour Code as an example. This is a grand policy made in accordance with the above procedures. Despite the fact that the code is so far-reaching, many of its fundamental chapters and articles concerning jobs, wages, insurance, working rest time are being applied without problem for workers.

This represents a proper labour policy.

Is it true that making labour policy is difficult but applying it is more difficult?

That is correct. Policy on labour is very broad and very complicated. Experience shows that there is no absolutely proper policy on labour; no policy that needs no adjustment and contains no imperfections. But every policy basically should attain righteousness.

To bring these policies to life we should explain to all workers the policies' contents and political ideas, their shortcomings and the socio-economic situation in which they will be applied.

We must also pay attention to the opinions of the people. If the opinion is right and rational, we should not be conservative and should be brave enough to make the necessary changes to the policy.

Are there differences between executing labour policy in foreign-invested enterprises and domestic enterprises?

First of all, labour issues for foreign-invested enterprises have special features distinguishing them from domestic enterprises, especially the employer and employee relationship in these enterprises.

Once foreign investors bring in their capital, their first and last purpose is to gain as much profit as possible. To achieve that they form a clear management-worker relationship and also have their own way of work management and control.

But most Vietnamese employees working in those enterprises are used to loose labour discipline. Moreover, they still have a heavy sense of being hired workers. This is the first controversy in those enterprises.

In this situation many owners of enterprises make use of gaps in Government control over those enterprises or deliberately do not comply with Vietnamese laws in order to exploit Vietnamese workers.

They increase the speed and amount of work, lengthen working time, pay all workers the same minimum wages, and fire workers who dare to speak the truth or stand up for their rights.

In most cases Vietnamese workers react hastily, even extremely, and not according to the required regulations on reconcilement, arbitration and strikes.

There are two reasons leading to this situation. On the one hand, we do not have enough time to issue all the documents giving guidance on the applied labour code to all foreign-invested enterprises at the same time.

On the other hand, 80 percent of foreign-invested enterprises, hundreds of which have stable activities, still do not have trade unions and so, direct struggle between one or more workers and their employers never bears fruit and sometimes makes the situation even more complicated.

As far as this problem is concerned, the Ministry of Labour, War Invalids and Social Affairs in coordination with the General Trade Union of Vietnam is responsible for guiding all enterprises that do not yet have the necessary conditions to set up trade unions to begin formation of interim trade unions.

With the speeding up of issuance of documents applying to foreign-invested enterprises' setting up of interim trade unions, hopefully in a short time all labour issues for these enterprises will be settled reasonably and satisfactorily between employer and employees.

It delights us is that recently, labour issues have not had much effect on our ability to attract foreign investment.

What do you think of the opinion that the minimum wage for foreign-invested enterprises is low?

I want to remind everyone that the minimum wage is just for manual workers, not for professional and skilled workers. To answer the question I call attention to the minimum wages of China at US$27, of Thailand at US$35 and of Indonesia at US$28 and compare them with the minimum wage of Vietnam at US$35. It is obvious that Vietnam can not set its minimum wage higher than other regional countries, especially not higher than our immediate neighbours. Otherwise foreign investment will not come to Vietnam but will go elsewhere.

Minister Interviewed on Building Security Forces

Hanoi NHAN DAN in Vietnamese 18 Apr 95 pp 1, 3

[Interview with Minister of Interior Bui Thien Ngo, date and place not given]

[FBIS Translated Text] [NHAN DAN] The resolution of the 8th Plenum of the CPV Central Committee mentioned the need to build and improve the state apparatus. With respect to the public security sector, what things need to be done?

[Ngo] The resolution of the 8th Plenum of the CPV Central Committee (7th Term) raised the issue of continuing to build and perfect the Socialist Republic of Vietnam, the center of which is improving administration. The function of the public security forces is to control the state in terms of security and order. Because of this, their organization and operations must be improved in accord with the above requirement.

Building people's public security forces encompasses many things. Above all, we must concentrate on building and improving the apparatus of the public security forces so that these forces are honest, strong, and effective. In order to fulfill this requirement, the following things must be carried out well:

First, the functions and tasks of the public security forces in the new situation must be clearly defined. Today, the public security forces must carry out many tasks that are not part of their function. The Ministry of Interior is urgently reviewing the implementation, during the past 15 years, of government Decree 250/CP on the functions, tasks, and organization of the Ministry of Interior in order to make revisions in accord the new situation. The state management functions concerning the order and security of the Ministry of Interior must be clearly differentiated from those of the people's committees in the localities. State laws and regulations on the functions and tasks of the public security forces must be promulgated in order to have a legal basis for the activities of the people's public security forces.

Second, based on the defined functions and tasks, the Ministry of Interior must reorganize the apparatus. We must streamline it and make it more efficient in line with the need to maintain national security and social order both nationwide and in each locality. Along with solidifying organization, we must quickly train and improve the quality of the ranks of cadres and troops with respect to two aspects: political quality and work capabilities. Discipline must be strengthened so that these forces gradually become regular and modern forces.

Third, work methods must be renovated, and administrative procedures in dealing with the public must be reformed. Things must be organized in accord with government Resolution 38-CP. This will enable the public security units, cadres, and forces to respond more quickly and effectively and really be an armed stand-by force.

Fourth, a movement to maintain the security of the fatherland must be launched at the bases, and there must be an operations mechanism that is in accord with the production, work, and other activities of the people in each area. The mechanism for coordinating things between the public security forces and the echelons and sectors and between the various units in the public security forces must be improved in order to exploit the integrated strength of the people in maintaining security and order.

Fifth, the direct and all-round leadership of the party committee echelons and the control of the various-echelon authorities with respect to the people's public security forces must be maintained. Party renovation and reorganization in the public security forces must continue. The leadership of the Central Public Security Party Committee with respect to the provincial, municipal, and primary-level public security party committees must be strengthened in order to satisfy the need to provide leadership in maintaining national security and social order.

Sixth, steps must be taken to renovate the equipment, technical means, communications and liaison means, and work conditions of the public security forces at all echelons so that they have the strength to complete the tasks in the new situation.

[NHAN DAN] The activities of the police are directly related to the people. What do the people think of the police? In what spheres are the people's complaints, if any, concentrated and have complaints reached the sector's leaders?

[Ngo] The people's police forces are an element of the people's public security forces. They are responsible for maintaining social order and safety and contributing to maintaining national security using administrative control measures in accord with the law. Because of their tasks and functions, each day the people's police forces must deal directly with complex problems related to the people.

In recent years, the people's police forces have renovated many things in the struggle to control crime and protect the lives of the people. In combat and work at each police branch, many collectives and individuals have shown great dedication to their work, remained incorruptible, and resolutely opposed corruption, smuggling, and criminal activities. There are many intelligent and brave cadres and policemen, and some have sacrificed their lives in the fight to control crime and protect the lives and property of the people. The behavior of the police has been improved. The people have followed things, made observations, and praised the advances and renovations of the people's police forces. But in the process of fighting and growing, there will always be a number of individuals and even elements that commit violations. Because their political understanding is weak and because they have failed to adhere to the law and refused to accept the training on moral qualities, a number of public security cadres and troops in general and policemen in particular are still committing violations and acting in an authoritarian manner, which has caused people to complain. A number of specific spheres are still acting in a negative and disruptive manner, and people have filed many complaints. This includes such spheres as automobile and motorcycle control and registration, mobile communications control, and household control and registration and violations committed by primary-level public security forces in arresting, detaining, investigating, and prosecuting criminals. Leaders in the Ministry of Interior have received information on the above, and they have quickly investigated those matters and dealt resolutely with those cadres and troops who have committed violations. In some cases, they have even had them prosecuted. In cases involving serious violations, ministry leaders have ordered provincial and municipal public security directors to go and meet with the victims in person and take steps to resolve the matter. At the same time, the lessons have been learned and the causes have been analyzed in order to implement comprehensive reorganization measures throughout the force.

It must also be said that in a number of cases, the information of the masses is not accurate, and things have not been adequately explained. As a result, there are misunderstandings concerning the public security forces. On the other hand, for various reasons, a number of evil elements have spread damaging rumors that have adversely affected the prestige of the people's public security forces.

[NHAN DAN] Can you tell our readers about the implementation of Resolution 38/CP on reforming the administrative procedures of this sector?

[Ngo] After the government promulgated Resolution 38/CP "On Reforming Administrative Procedures in Dealing With Matters of Citizens and Organizations," on 23 June 1994 the Ministry of Interior formulated a plan to guide the implementation of this within the public security forces. The plan stated that reforming administrative procedures is an urgent task of the entire public security force and that efforts must be concentrated on: improving work procedures within the public security forces, improving work coordination between the public security forces and the sectors, party committee echelons, and local authorities, and examining, classifying, and compiling stipulations on administrative procedures in the sphere of maintaining security and order, particularly in the export-import sphere, in the sphere of registering and controlling means of communication, and in the sphere of household control.

After implementing Resolution 38/CP for almost 1 year, the Ministry of Interior, together with related sectors, made revisions and sent a report to the government on improving the procedures used to control exports and imports and to register and control means of communications. It also revised the decree on household registration and control in accord with the new situation. On 24 March 1995, the government promulgated Decree No 24 on improving export-import work. The Ministry of Interior is now preparing guidelines to implement this decree. The ministry has guided the various-echelon public security forces in examining things and has suspended the collection of a number of fees that are not within the jurisdiction of the public security forces. For example, the traffic police have stopped collecting fees for examining automobile and motorcycle registration files, storage fees for means of communication that have committed a violation, and so on. The various-echelon public security forces have posted public notices at the main offices in order to inform people about the stipulations on the documents required and the types of fees that must be paid when registering a vehicle. The provincial and municipal traffic police and public security offices have issued public notices about the vehicle safety standards and issued inspection schedules for each type of motorized vehicle so that the owners of the vehicles don't have to return many times.

Internally, the public security forces are examining and revising the regulations and work methods, formulating work regulations, improving the work procedures of the various-echelon public security forces ,and improving the operating results of the public security apparatus.

Reforming the administrative procedures in accord with government Decree 38/CP got underway within the public security forces only recently. Although only a number of important things of practical significance have been done, this is just the beginning. Ministry of Interior leaders are concentrating on providing close guidance in order to promote this work in accord with the plan formulated.

[NHAN DAN] In the public security sector's plan to reform administration and build an honest, strong, and effective apparatus, which sectors are regarded as the key sectors?

[Ngo] In order to increase the effectiveness of the people's public security forces with the aim of maintaining national security and social order in the new situation, in the plan to carry on administrative reform, interior ministry leaders think that improving the quality of the ranks of cadres is one of the key problems.

Along with building people's public security forces that are honest and strong and that can operate effectively, efforts must be concentrated on ranks of public security cadres and troops who are strong politically, who have excellent occupational skills, who understand the law, who have great combat strength, who are equipped with modern equipment, and who have the strength to complete the tasks. This is a very important task, and leaders at all echelons are giving special attention to this.

In building ranks of public security cadres and troops, there must be close coordination between quality and capabilities. The Central Public Security Party Committee and interior ministry leaders are guiding the various-echelon public security forces in implementing the resolution of the 3d Plenum of the CPV Central Committee on "renovating and reorganizing the party." This is being coordinated with organizing training and implementing the "Six Points" that President Ho taught the public security forces in order to effect a real change in both the thinking and actions of public security cadres and troops.

The Ministry of Interior is reorganizing cadre training, supplemental training, and specialized training, strengthening scientific research, reviewing theory, summarizing the practical lessons, and selectively studying the experiences of other countries in order to raise the standards of the public security cadres and troops with respect to managerial and occupational capabilities, the law, computer science, and foreign languages in accord with the needs of each echelon and type of force.

The Ministry of Interior is launching an emulation movement among the forces to improve quality and work capabilities. Steps are being taken to increase the number of progressive examples and achieve outstanding results to commemorate the 50th anniversary of the founding of the Socialist Republic of Vietnam and the 50th anniversary of the founding of the People's Public Security Forces.

[NHAN DAN] Do you think that the press can contribute to building the public security forces?

[Ngo] The press is an important tool in carrying out the political tasks of the party and state. For many years now, the press in our country has been making positive and effective contributions to maintaining national security and social order. The press has actively spread propaganda concerning the activities of the public security forces and encouraged the public security forces to do a good job in carrying out the tasks and be prepared to make sacrifices for the security of the fatherland and the happiness of the people. In a constructive spirit, many newspaper articles have criticized the weaknesses, negative aspects, and illegal activities of public security cadres and troops and contributed to solidifying and building honest and strong public security forces. However, for various reasons, there have also been instances in which articles have made inaccurate statements and caused people to misunderstand things. This has hurt the morale of public security cadres and troops.

I think that in the coming period, in the face of the heavy and complex tasks given to the people's public security forces by the party and state, the press in our country will make even more positive and practical contributions in maintaining national security and social order and encourage the public security forces to complete the tasks. The press will also contribute to building honest and strong public security forces that will gradually become regular and modern forces.

On this occasion, on behalf of the leaders at the Ministry of Interior, I would like to thank those newspaper, radio, and television reporters who have zealously helped our public security forces for many years in maintaining national security and social order. I would also like to thank NHAN DAN for enabling the Ministry of Interior to talk to readers.

[NHAN DAN] Thank you, sir.

Ho Chi Minh City Budget Losses Noted

952E0083A Hanoi DAI DOAN KET in Vietnamese 3 Jun 95 pp 1, 7

[Article by Huu Nguyen: "Ho Chi Minh City: The Budget Leaks"]

[FBIS Translated Text] *Ho Chi Minh City is the locality that contributes the most to the national budget. This is due in part to the city's traditional strengths, but the unsurpassable dynamism of the economic elements operating in this locality is also undeniable. That dynamism has on more than once served as a prime mover to pull the national economy forward. However, next to that commendable dynamism, there still remain a little sluggishness and sometimes the machinations of some districts, precincts, or companies trying not only avoid contributing to the national budget but also to squeeze money from it. "The budget pie" could have been larger if such maneuvers had been eliminated from our socioeconomic life. However, that may be a matter for the future; right now, we should speak out to criticize and check that dangerous development.*

It took only 50 inspections of three precinct financial offices, three branch tax offices, 40 state-operated and joint-stock commercial banks, 10 state-operated municipal-level businesses, 22 state-operated precinct-level businesses, three limited liability companies, three administrative units having revenues, 13 subwards and villages, and two collective economic units to discover that most of these establishments had violated the state regulations concerning the management and use of budgeted capital and financial receipts and expenditures in 1993 to the tune of up to 396,243 million dong and $211,225. Numerous leadership cadres and civil servants and many members of society accused of wrongdoings have been disciplined; in several cases, the files have been turned over to the investigative organs so that the culprits will be dealt with according to the law. In addition, there has been a case of wrongdoing causing the loss of 1,000 ounces of 24-karat gold to the state.

In budget management and administration, most of the violations consisted in the failure to formulate a budget collection-and-disbursement plan consistent with the situation of local socioeconomic development. For example, there was a failure to establish capital construction norms and some other needs for disbursements. Therefore, when there were revenues, the establishments concerned had arbitrarily set up funds outside their budgets and spent their money as they wished. There was a lack of centralized management of the budget collections; and the money derived from home sales, from the transfer of the right to land use... was not included in the budget.... In three precincts alone (Fifth, 10th, and Tan Binh Precincts) this sum amounted to nearly 77 billion dong. According to the explanations given by these precincts, they had spent 66 billion of that sum for capital construction although they had not been authorized to do so. In some precincts, incorrect budget accounting involving 4.3 billion dong had resulted in a shortfall of 500 million dong in contributions to the state budget. A shortfall totaling over 20 billion dong resulting from budget disbursement accounting inconsistent with actual expenditures has been discovered. Arbitrariness in budget collections and disbursements was caused not only by the lack of professional expertise on the part of specialized cadres but also by deliberate violations of the regulations. Inspectors have noted that in some places the leadership cadres of a number of precincts and districts have intentionally let various departments and branches to act in contravention of the state regulations, such as using the budgeted capital to offer loans; to buy land, houses, cars... even when no echelon has authorized such activities. For example, in Fifth Precinct, it was discovered that in 1993 the total collections not included in the budget were 44,337 billion dong, a sum including various housing development funds, checking accounts, and budget disbursements not transacted through the bank. According to the inspectors, the leadership of the Fifth Precinct People's Committee also advocated collecting and disbursing as they saw fit and acted in contravention of the state regulations by giving bonuses, offering loans, purchasing land in Vung Tau to build vacation homes.... In Eighth Precinct, its People's Committee advocated the policy of establishing a joint committee for cooperation and investment which has no juridical status but has signed and implemented over 10 contracts on leasing land for 20 to 30 years and several other contracts on subleasing or selling land, collecting land rent.... The precinct was extremely arbitrary in using its budget to pay for receptions, for the precinct leadership's overseas travels, or for activities not recorded in their books..., causing great losses of the state property.

The state-operated businesses keep griping about the lack of capital, about high bank interest rates, about price fluctuations... which they say make doing business difficult and cause them to operate at a loss, but in reality there still are many businesses the values of whose property and assets have not yet been fully reassessed, which has resulted in irrational calculation and use of their capital. At present, a widespread practice is that state-operated businesses lease their property and material bases to private individuals or sign contracts with private individuals for the use of the latter's professional skills only, but are unable to manage their property. In some places, private individuals misappropriated the capital of state-operated businesses then flew the coop or filed for bankruptcy, leaving the state holding the baby. Many businesses have operated not in accordance with their stated functions, such as the Can Gio Limited Liability Corporation, which bought 5,100 square meters of land in Subward 25, Binh Thanh Precinct at the price of 2.13 billion dong; the 10th Precinct Tourist and Trade Services Corporation, which used a loan to pay for capital construction but was unable to pay back 25 billion dong in principal and interest when the project did not work well. Nearly all the businesses inspected have violated the regulations, such as not fully reporting their business income in order to evade tax; reporting inaccurate or unreasonable expenditures, production costs, and rents; misappropriating state capital; delaying payments to the state of a sum totaling up to 112 billion dong; making collections and disbursements outside the budget; and doing business not in accordance with the regulations, which has resulted in uncollectible debts amounting to 17 billion dong and $135,764. Worth noting is that several subwards, villages, and nonproductive units having revenues in Sixth Precinct, Cu Chi District... have been very arbitrary and have not observed any state regulations in spending money. On the part, the housing management corporations have failed to manage the money derived from renting and selling property. In First, Third, and 11th Precincts alone, inspections have revealed a shortfall in collection totaling llions of dong.

In other areas such as tax, bank credit, and capital construction, nearly all the localities inspected have violated the regulations. In a number of subwards in First, Third, and Fifth Precinct, many state-operated economic units, limited liability companies, and private households have evaded tax or misappropriated tax money. The tax arrears alone in these establishments have amounted to hundreds of billions of dong. Regarding the joint stock commercial banks, their most serious violations were failure to maintain a reserve capital according to the mandatory percentage (10 percent) and negligence in approving loans and mortgages. A number of joint stock banks were arbitrary in determining lending interest rates....

If these budget leaks are not plugged in time, we have reason to fear that the "state budget pie" might fatten only a number of corrupt persons.

Khanh Hoa Military Prepares for Party Congress

BK1807142195 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 17 Jul 95

[FBIS Translated Text] The Khanh Hoa Province military party committee has worked out a plan to set up the personnel and agenda subcommittees; prepare work relating to delegates to party congresses at all levels; and define selection criteria, structures, and number of party committee members to be elected to the executive committees of party organizations for the upcoming term.

Arrangements have also been made for primary party organization secretaries to attend enlarged conferences to firmly grasp the contents of instructions on how to organize party congresses at all levels within party organizations.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.